FEDERAL FUNDING for STATE AGENCIES:



What We Get and How We Can Do Better

A Report on Current and Future Federal Funding to Illinois State Agencies from the Illinois Federal Clearinghouse (www.state.il.us/fedclear/)

George H. Ryan, Governor

October 1999

Building a New Illinois...Together

To the Illinois Congressional Delegation:

The federal government will spend approximately \$1.4 trillion dollars this year. Much of this money is spent on payments to individuals such as social security and Medicare. This total also includes salaries for federal employees. However, thirty percent of the \$1.4 trillion, or more than \$420 billion, will be spent on procurement (the purchase of goods and services) and grants.

I am convinced that in these two areas, federal grants and procurement, Illinois can do much better than we have in the past. To this end, earlier this year I signed Executive Order number 12 creating the Illinois Federal Clearinghouse. The Clearinghouse has already proven to be an extraordinary resource and I expect better things to come in the future.

The Clearinghouse is designed to assist Illinoisí state agencies, local governments, non-profit organizations and private sector businesses in learning more about federal procurement and grant opportunities. Illinois is one of the few states with a web-site (www.state.il.us/fedclear/) that makes information about federal funding opportunities available on the Internet. Of course, simply creating an Internet site does not bring in an extra nickel to Illinois.

We have put in place other programs and services to assist grant applicants and companies looking to provide products and services to the federal government. I will work closely with the Illinoisí Congressional delegation, the State Legislature, business leaders, and state agencies to more creatively use our expanding network for the benefit of people throughout Illinois.

The commitment and active support of all 22 members of the Illinois' Congressional delegation is essential if we are to achieve our goals. The extraordinary efforts of delegation members and their staff will ensure that our state-related grant initiatives receive a full and fair hearing from the federal decision-makers. You will be just as helpful in making sure your constituents are aware of the many opportunities to do business with the federal government through the procurement system.

With the creation of the Illinois Federal Clearinghouse, I pledged that the state agencies under my direct control would serve as an example in making every effort to improve our performance in securing our fair share of federal funds. What follows is a specific plan, written by each agency, describing the origin of federal funds that they already receive and how they propose to do better in the years ahead. This document was developed in cooperation with my Washington, D.C. Office to help prioritize these targeted efforts.

We will ensure that any efforts to increase federal funding to the state fit within the broader context of our strategic planning and performance outcome goals. We will revise and update these plans throughout my Administration as federal budget issues change and as the goals of my Administration evolve. We will work with federal grant and procurement officers to make sure we are getting timely and accurate feedback. The goal of this work must be more than increasing the amount of dollars coming to Illinois ñ it must also be to improve the quality of services that the state provides to the citizens of Illinois.

George H. Ryan GOVERNOR

INTRODUCTION:

In the 1999 federal Fiscal Year, Illinoisí state agencies will bring in a total of \$9.1 billion in federal funding. Much of this comes through grants made to state agencies and designated for specific programs. In many cases these grants are determined by a federal formula. In others, grants are awarded competitively with Illinoisí agencies having the option to apply.

The Illinois Department of Public Aid will bring in over \$4 billion in federal funding in FY99, with the majority of this money going to the Medicaid program. The Illinois Department of Human Services will bring in over \$1.3 billion, the Illinois State Board of Education over \$1 billion, and the Illinois Department of Transportation approximately \$800 million. These agencies will continue to make up the bulk of the federal funds received by Illinois.

In cases where funding levels are determined by a federal formula, we can work to adjust the formula through changes in federal laws and regulations. However, the money we bring in remains largely linked to the successful completion of applications in a timely manner, the endorsement of our Congressional Delegation, and the investment of the required state matching funds.

Other federal grants are awarded competitively with state agencies having the option to apply for a particular grant. The process is not always simple and there are many factors that must go into deciding whether to submit an application. Judgments must be made about the amount of staff time needed to complete an application, about the odds of receiving these awards, and most importantly, about assuring that a grant will fit into the larger strategic goals of the agency.

In many cases state agencies will do more than just seek additional federal funding. There are other activities that the agencies can perform that will promote the broad goals of the Illinois Federal Clearinghouse. The Department of Commerce and Community Affairs will continue to provide assistance to Illinois companies which seek to increase their business through federal procurement activity. The Department of Central Management Services, in addition to maintaining the Clearinghouse web-site, will help agencies solve their grant writing problems, either with assistance in particular aspects of grant writing or through greater flexibility in compensating contractors who may prepare grant applications. The Department of Natural Resources will work with private foundations to support new projects managed by the State Museum. In addition, many agencies may be called upon to assist in the Census 2000 effort to make sure that all Illinois citizens are counted. An accurate census will have a significant impact on federal grant funding for Illinois during the next decade.

Nevertheless, the majority of the efforts from our state agencies will be in more traditional areas, including:

working to improve grant formulae when it can be shown that a current mechanism is unfair in its treatment of Illinois,

working to make sure that grant notices are received and responded to in a timely and accurate manner, and working to make sure that the state agencies, the Bureau of the Budget, the Deputy Governor for Education and Workforce Development, the Governor's Policy Office and the Governor's Washington, D.C. Office are all working together in a coordinated and effective manner.

Outlined below are the priorities for increasing federal funding, as written by each state agency. Each agency has designed its work to fit within the broader context of the strategic planning and performance goals of the Ryan administration. The efforts will be revised and updated as federal budget issues and the goals of the Ryan administration evolve. The goal of this initiative is not simply to increase the number of dollars coming into Illinois, but to improve the quality of the services that the state provides for all Illinois citizens.

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Department of Children and Family Services \$343,242 Carolyn Cochran Kopel 21

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*All figures are from the report, iFederal Funds to State Agencies: FY 1997-FY 1999,î Illinois Commission on Intergovernmental Cooperation, 8th Edition, April 1999.

ILLINOIS DEPARTMENT OF PUBLIC AID Aid Received (FY99): \$4,075,641,000

tc "A primary strategic goal for the Illinois Department of Public Aid (IDPA) is to maximize federal funding. This goal is met by maintaining current activities to recover federal dollars, implementing new initiatives, and developing further efforts in conjunction with working at the federal level to make applicable changes. In FY99, IDPA received over \$3.8 billion in federal funds. Furthermore, IDPA continues to work with other agencies that are interested in developing methods to maximize federal financial participation (FFP) and secure additional federal funding for their programs." \f cA primary strategic goal for the Illinois Department of Public Aid (IDPA) is to maximize federal funding to Illinois. This goal is met by maintaining current activities to recover federal dollars, implementing new initiatives, and developing further efforts to maximize federal funding in Illinois in conjunction with the federal government to make applicable changes. In FY99, IDPA received over \$3.7 billion in federal funds. Furthermore, IDPA continues to work with other agencies that are interested in developing methods to maximize federal financial participation (FFP) and secure additional federal funding for their programs.

OPPORTUNITIES and STRATEGIES

Federal Match Rate for Medicaid

Current match rate is 50% and based on per capita income. This does not adequately recognize concentrations of poverty, a more salient factor in measuring need for federal assistance for Medicaid. A 5% increase would impact Illinois with an additional \$300 million a year. Illinois needs to work with Congress and HCFA to increase the floor Medicaid match rate or restructure the formula.

KidCare

Governor Ryan launched major outreach efforts in April 1999 to help increase the number of all eligible children who are enrolled in KidCare and Medicaid. This outreach includes over \$1.6 million in grants to communities for hard-to-reach children and pregnant women, displays at numerous public events, increased media attention and expanded outreach sites. One of the efforts is an expansion in community partners, known as KidCare application agents, that assist families in applying for KidCare.

HCFA has recently raised questions regarding the matchability of insurance companies acting as KidCare outstationing agents. Outstation regulations should be liberalized to permit states to use any organization it chooses to assist in taking applications.

The current federal program allows up to 10% of a state is total program spending to be used for administration and outreach. The application of that limit, however, is based on the amount of direct services claimed. This is a icatch 22î situation. Spending on outreach is necessary to enroll children. These efforts ultimately result in direct service payments that allow a percentage to be spent on the outreach itself. However, states need the outreach money first, in order to enroll. Illinois will work to improve match on administrative and outreach costs.

Drug Rebates

IDPA maximizes outside revenue sources through the Drug Rebate Program. Department expenditures for drugs, both generic and brand name, are matched at 50% by the federal government. The difference between generic and brand name drugs is the rebate methodology. Rebates for brand name drugs average above 25% of the drugís average price. Rebates for generic drugs are a flat 11.5% of the generic drugís

average price. The majority of rebate deposits made by IDPA come from expenditures for brand name drugs.

For FY99, IDPA deposited \$57.1 million into general revenue funds from drug rebates, as a result of the 50% return the federal government provides. It is anticipated that this amount will increase to \$60 million for FY00.

Under current law, generic drug manufacturers are not required to pay Medicaid programs for the additional dollar for dollar rebate if the price of a drug increases more than the consumer price index. Brand name manufacturers are required to do so. Illinois should support imposing the same rebate policy for generics as for brand names. The savings or increase in rebate revenues would be significant.

Retroactive Changes to Drug Rebates

Currently, there are no regulations to sunset drug rebates for past quarters. This means that drug manufacturers have the ability to change those rates retroactively. State must maintain open, ever changing account receivables on their rebate accounts, dating to the start of the rebate program on January 1, 1991. According to HCFA, there are proposals to limit a drug manufacturer's ability to change rebate amounts. The proposed regulations would limit retroactive changes by manufacturers to three years.

Institutions for Mental Disease (IMD)

Under current federal law, hospitals and nursing facilities with more than 16 beds engaged primarily in providing mental health services are classified as Institutions for Mental Disease (IMD). Federal law prohibits FFP under Medicaid for any person ages 22 through 64 who resides in an IMD regardless of whether the person has a mental illness. This prohibition applies to all other Medicaid services (e.g., physicians, medications, and non-psychiatric care) that these persons receive. As a result the state must assume the full cost of all services, solely because they are patients in an IMD. HCFA has interpreted IMDís to be defined as facilities in which more than 50% of residents are there for mental health reasons.

Under these limitations, Illinois is currently losing about \$38 million in FFP per year just for residents of nursing facilities classified as IMDís. (Additional losses are experienced for residents of the DHSís State Operated facilities.) The state should ask HCFA to:

Increase the 50% threshold to at least 75% and thereby limit the classification of IMD to facilities that predominantly specialize in long term services to persons with mental diseases.

Use a single common assessment tool in determining the IMD status of institutions.

Allow FFP for acute psychiatric treatment (under 30 days) in a state-operated psychiatric hospital and in private IMD psychiatric hospitals.

Allow FFP for all services, both those provided by a labeled IMD and ancillary services provided at an outside IMD setting, for persons 22 through 64 years of age who do not have a diagnosis of mental illness and are residents in a nursing home labeled an IMD.

Additionally, Illinois is taking the following steps within the current federal guidelines:

Developing a system to alert nursing facilities iat riskî and prevent addition facilities from becoming IMDís.

Developing a more objective process to determine the IMD status of nursing facilities that reduces, stabilizes, and limits the number of IMDís and is acceptable to HCFA.

Child Support Administrative Match

States currently are provided 66% of their administrative costs by their federal partner. The federal government is considering lowering this rate to 50%. This would cost Illinois \$24 million. The state should support the federal administrative match remaining at 66% of costs.

tc "Child Support Grant Procurement" \f cChild Support Grant Procurement

The Child Support Division within IDPA is taking an active role in procuring Federal and Foundation Grants. Three such grants have been awarded: the Access and Visitation Grant, the ChildCare and Head Start Collaboration Grant, and the Special Improvements Grant. An extension of the latter two grants is expected in FY00.

Child Support Performance Incentives

In July of 1998, less than two years after the passage of the Personal Responsibility and Work Opportunity Act (PRWORA), the Child Support Performance and Incentive Act of 1998 were signed into law. This completely restructured the federal incentive payment system to states based on new performance measures. Incentive payments to states are an integral funding source and the new law will make statesí budgeting and appropriations processes more uncertain. Under the new system, states will be competing with each other for a capped amount (\$422 million) of payments and will have difficulty predicting what funding will be from year to year.

Beginning October 1, 1999, and being phased-in through October 1, 2001, there are five performance areas on which states and territories will be evaluated. The five areas of evaluation are: 1) paternity establishment; 2) cases with support orders established; 3) collections on current support; 4) collections on arrearage; and 5) cost effectiveness.

The first three performance areas are weighted slightly higher than the last two performance areas. Once the incentive payment share percentage is calculated by dividing the cumulative total incentive-based amount by the state/territory total incentive-based amount, this factor is then multiplied by the \$422 million pool. IDPA is aggressively working on improving its performance in the five key areas to assure that the maximum federal dollars will be recovered by the State.

Juvenile Rehabilitation

Public Act 90-587 established the Juvenile Rehabilitation Services Medicaid Matching Fund. This legislation allows counties to be reimbursed a percentage of their cost when a minor is ordered into a residential psychiatric rehabilitation treatment program. IDPA will claim federal match for behavioral health services secured by counties under the Medicaid Rehabilitation Option and disburse this match to counties that have an intergovernmental agreement with IDPA and submit claims in a manner determined by IDPA. The first payments to counties were made in July 1999. Estimated increased federal revenue to the county governments in Illinois is \$3 million for FY2000.

School-based Health Services

To promote attendance and participation in school by a child or youth with disabilities, a local school district or group of districts, referred to as a local education agency (LEA), in conjunction with the childs parents, develop an individual education plan. In many instances, the plan includes the arrangement of medical and medically related services. To the extent that the services are provided to a child eligible for Medicaid and KidCare, spending by the district may be counted as public expenditures and included in the states claims for FFP.

Since 1992, through an interagency agreement with the Illinois State Board of Education (ISBE), IDPA has claimed FFP for the direct services provided to children eligible for Medicaid, and more recently KidCare. Effective June 1994, IDPA has also recovered FFP for administrative and outreach expenses for Medicaid. A small percentage of the FFP is deposited into the general revenue fund (GRF) and the

remaining is disbursed by ISBE to the districts that incur the matchable expenditures. (When LEA administrative claims exceed \$1 million in a year, 10% above this amount goes to GRF.)

The number of children and youth served and dollars claimed has grown significantly since 1992. If trends continue, it is anticipated that in fiscal year 2000, some 137,000 Illinois school children eligible for Medical Assistance will receive 3.8 million services, with spending of about \$98 million. IDPA should recover about \$50 million for direct services and \$166 million for administration and outreach in FY2000. Of the \$216 million anticipated total FFP, roughly \$7 million will be deposited in GRF and the remaining \$210 million disbursed to the school districts throughout Illinois.

More recently, HCFA has questioned the activity codes and the use of the 75% enhanced rate used in billing for school based administrative services. Until definitions for outreach functions (activity codes) are finalized and agreed to by HCFA, HCFA staff have asked that Illinois stop billing for Initial Health Screening and Evaluations and reduce all 75% claims to 50%, potentially risking \$42.2 million annually. Illinois is currently working with HCFA to clarify definitions and procedures.

Medicaid Waiver Programs

IDPA provides administrative oversight and monitoring for Medicaid waiver programs including: the developmental disabilities services home and community-care program administered by the Department of Human Services (DHS); the elderly Community Care Program (CCP) administered by the Department on Aging, and the rehabilitation services Home Care Program administered by DHS. In recent months IDPA has established an Interagency Coordination Bureau that will design a comprehensive monitoring program, including oversight of eligibility determination, service plans, service implementation, abuse and neglect, policy development, rate setting and billings. This increased oversight should not only help secure current federal funds, but also enhance funding by working with other agencies to make programmatic changes that will improve quality and enhance FFP.

The Bureau of Program and Reimbursement Analysis (BPRA) at DPA will be expanding its financial monitoring of not only the waiver programs, but also the Medicaid State Plan services administered by other agencies in order to assure continued federal funding of those programs.

The new developmental disabilities (DD) waiver includes a Supported Living Option. This option tailors services to meet individualsí evolving needs and preferences for supports, without having to leave the homes of their choice. Services include intensive case management, personal care, respite care, day habilitation, skilled nursing, transportation and behavioral health services. The new Supportive Living Option will also bring in more mating dollars to the state.

Additionally, unbundling of services should more clearly identify services paid for and create more accountability and better fiscal control. More external case management oversight is required which should provide better oversight of the waiver while capturing matching funds.

Early Intervention

IDPA and DHS have worked on a coordinated effort to claim match for Medicaid eligible infants and toddlers who are served through Part C of the federal IDEA, Individual with Disabilities Education Act, Early Intervention Program. DHS pays the early intervention (EI) claims and then sends a tape match to IDPA to identify those children who are Medicaid eligible. It is estimated that this tape match could draw up to \$5 million in federal match annually.

Match for Inmates at the Department of Corrections

The federal Health Care Financing Administration (HCFA) has provided clarification on Medicaid coverage policy for inmates of public institutions. Generally FFP is not available for such persons, but

FFP is available for services provided for inmates who become inpatients of a hospital, nursing facility, juvenile psychiatric facility or intermediate care facility for the mentally retarded, provided they meet the other eligibility requirements of the Medicaid Program. As residents of one of the three medical institutional settings, they are no longer considered an inmate of a public institution. Recent legislation, House Bill 777, if the General Assembly accepts the Governorís Amendatory veto, allows for committed persons in need of long-term care due to age, chronic infirmity, or disability to be removed from a correctional institution or facility and be placed in a nursing facility that accepts such persons. If the facility is Medicaid certified and enrolled with IDPA, this will, in turn, generate FFP.

Physician Grants

In cooperation with the Department of Public Health (DPH), IDPA is claiming FFP on the grants to physicians who practice in under-served areas of the state. Through a recent state plan amendment, IDPA has been able to claim a portion of DPH grants that are directly attributable to Medicaid recipients. IDPA will continue to work with DPH on other grant programs to maximize FFP. This may bring in \$150,000 to \$200,000 that can be used for additional grants.

PARTF Claiming

Legislation enacted in the 1999 General Assembly may provide greater flexibility in helping local governments obtain federal funds.

The Public Aid Recoveries Trust Fund (PARTF) allows deposit and disbursement of federal funds received on behalf of and earned by local governmental entities for qualified medical services provided to applicants or recipients covered under the Public Aid Code. In effect, PARTF can serve as a conduit to pass through earned Medicaid match to local governments. A special feature of PARTF is that such amounts are not subject to, or limited by, state appropriations.

AGENCY CONTACT ILLINOIS DEPARTMENT OF PUBLIC AID Valerie Brooks 217/785-1640 valerie_brooks@gov.state.il.us

ILLINOIS DEPARTMENT OF HUMAN SERVICES Aid Received (FY99): \$1,381,764,000

Many DHS programs and activities are supported by federal funding. This funding currently totals about \$1.4 billion per year. The Illinois Department of Human Services (DHS) is committed not only to identifying and pursuing opportunities to maximize the federal dollars we draw down; but to do so in ways that are consistent with our goals and strategic direction.

OPPORTUNITIES and STRATEGIES

DHSí strategic direction can be characterized as improving service outcomes by actively exploiting the opportunities for synergy and efficiency presented by our cross-cutting functions and managing for results. To this end, we are formulating a multi-pronged strategy that seeks opportunities in which our strategic direction and the possibility of increased federal funding dovetail.

The five prongs of this strategy include: modifying federal funding formulas to ensure receipt of our fair share of funding; improving our census count and collecting and maintaining statistics and other population data which accurately reflect the full diversity of the state(s residents; obtaining additional funds through initiatives that reward cross-functional performance improvement; increasing certain state expenditures which can be used to leverage significant additional federal funds, and increasing discretionary federal funding that is supportive of our strategic direction. These strategies are outlined below.

Strategy 1: Modify Federal formulas to receive our fair share of funding.

Significantly, over 98 percent of DHSí federal funding is in the form of formula grants. Any material increase in DHSí aggregate federal funding will therefore be heavily dependant on strategies that modify or leverage federal funding formulas. Federal funding formulas for block grants and matching rates are based on a variety of demographic data. If some of these formulas could be rewritten, it would significantly increase Illinoisí share of the total. Examples include:

Vocational Rehabilitation.

Federal funding would increase if the population-based funding formula were changed to give greater weight to 3 variables:

Percent of population with low income

Percent of population who are minorities

Percent of state VR agency caseload with significant disabilities

Substance Abuse Prevention and Treatment Block Grant (SAPTBG).

Reverse changes made for FY99 in the data the US Center for Substance Abuse Treatment used to calculate state allocations under the SAPTBG. Illinoisí proportion of national funding was reduced by this yearís change in methodology (which involved replacing manufacturing with non-manufacturing/health specific occupations wages).

Mental Health Services Block Grant (MHSBG).

A similar change was made to the MHSBG which, similarly, will reduce Illinoisí share of this important funding source. States were held harmless under this change for FFY1999, and the appropriation for the MHSBG was increased for FFY2000. The appropriation increase (\$2.6 million for Illinois) might obscure the fact that our actual share of the total will decrease. Potential courses of action include working to get:

the formula revisions rescinded, or

the old formula igrandfatheredî for the base appropriation and applying the new formula only to additional appropriations above the base.

Medicaid Reimbursement to IMDs.

The Social Security Act (SSA) bars federal financial participation (FFP) for any services that would ordinarily be covered under a state (s Medicaid program if the Medicaid-eligible individual receives treatment or resides in an institution for mental illnessî (IMD). The primary factor that drives IMD designation is whether half or more of the client population has a diagnosis of mental illness. When this occurs, the federal government will deny all claims for FFP for any service provided to any Medicaid recipient in the facility. However, individuals with dual diagnosis may be served in such settings. These individuals have a severe mental illness and a developmental disability but do not require active treatment for the developmental disability. Illinois loses nearly \$64 million per year in FFP due to this discriminatory exclusion. Strategies for redressing this include:

Force a change in the exclusion of persons receiving treatment in IMDs from full federal Medicaid reimbursement by either amending the SSA or through litigation against this unique and clearly discriminatory policy.

Explore developing facilities that would not be excluded from Medicaid coverage (IMD facilities with 16 or fewer beds receive full Medicaid reimbursement), and shift the Illinois IMD population to these facilities.

Strategy 2: Leverage additional federal funds by increasing our investment of matching funds.

Spending additional state general revenues not currently allocated to DHS would enable us to leverage significant increases in federal funding. This can be accomplished primarily by increasing state general revenue funds for some programs, and funding others for the first time. Examples include:

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) This program provides low income women, infants and children with nutritional education and counseling, information about health services and vouchers for supplemental foods. Annually, the United States Department of Agriculture reallocates unused funding to states for the purchase of supplemental foods. WIC clinics are now operating at near capacity, limiting the State of Illinoisí ability to accept and spend additional WIC funds through such reallocation. By allocating an additional \$1,000,000 in state funding to expand clinic services, the WIC Program would leverage up to \$5,000,000 in reallocated federal food dollars.

WIC Farmersí Market Nutrition Program (WFMNP)

This growing federal program provides fresh fruits and vegetables to mothers and their young children while supporting local agriculture. Illinois has not taken advantage of this opportunity due to our failure to allocate the required 30 percent state matching funds. Allocating \$500,000 in state funds would leverage up to \$1,166,000 in federal funds.

Illinois Diabetes Control Program (DCP)

This program integrates diabetes prevention and control through community- based activities. State matching funds are required to draw down FFP. Presently, this program receives no state general revenue funds (GRF), only in-kind support. Allocating \$200,000 in GRF may bring an additional \$1,000,000 in federal matching funds.

Leveraging Medicaid Matching Funds

Identify activities/services currently paid by GRF that qualify for Medicaid reimbursement. For example:

State-funded Community Mental Health Providers

The Office of Mental Health (OMH) expects providers whose Medicaid billings fall below the statewide mean for agency Medicaid billing to expand their billing to reach the statewide Medicaid mean. This approach will enable OMH to increase federal reimbursement to these community providers by approximately \$5 million. Additionally, the expansion of KidCare and Adolescent Mental Health Services will enable community providers to leverage additional Medicaid reimbursement.

The Home-Based Support Program for Persons with Developmental Disabilities and Mental Illness This program is funded 100% by GRF. This program provides assistance to people so they might remain in their own homes. DHS has requested a demonstration waiver from Health Care Financing Administration (HCFA) to permit the claiming of FFP for this program. Federal funding for the program will strengthen it and allow GRF dollars to be leveraged in other areas.

Expand Eligibility for Medicaid Family Planning Benefits

This is the first year that the State of Illinois has appropriated State GRF (\$750,000) for family planning. If Public Aid expanded Medicaid eligibility for family planning benefits (e.g. by covering former TANF clients living under 200% of the poverty level for up to two years after leaving TANF) this same GRF investment would result in a \$7.5 million program for the State of Illinois (10% state \$750,000, 90% federal \$6,750,000).

Explore New Payment Mechanism for Community-based Providers of Developmental Disabilities Services Prior to the creation of DHS the former Department of Mental Health and Developmental Disabilities had difficulty encouraging new community- based service providers to enter the market due to the length of

time it takes for them to receive payment for services rendered. As a result, many start-up providers were funded with grants under which they received a monthly pre-payment on the basis of estimated costs and workloads. However, this arrangement did not provide sufficient detail to permit Medicaid claiming for services rendered. Since these providers have now been in business for a significant length of time, we wish to explore a new payment mechanism which will allow more accurate service reporting and, therefore, increase the Stateís ability to claim FFP.

Strategy 3: Improve Census Count and Other Demographic Statistics.

Because many federal funding formulas are based on census numbers, improving the completeness of Illinoisí population enumeration for the April 2000 decennial census would enhance federal funding for nearly all state agencies. Prior censuses have tended to undercount minorities and the poor, which reduces the stateís share of federal dollars. Recruiting DHS clients as census-takers is one way we could contribute to such an effort. Other areas for possible attention include:

More Accurately Describing Newborn Race.

Vital Records uses the National Center for Health Statistics recommended approach of simply using the mother's race to categorize newborn infants. Yet, by this method, Illinois' count of minorities is about 10% lower than the count according to public schools and other entities that make classifications based on self-identification or other algorithms.

Improving the Census Bureauís Count of Hispanic Residents.

The Census bureauís count is believed to be below the actual number of Hispanics in Illinois. Particularly undercounted are Chicago Hispanics and migrant workers in agricultural areas. It may be possible to increase the count by comparing census figures for the school age population against school enrollment counts and correcting the census data to the extent that it undercounted this population. We could also work with the Hispanic community to develop better enumeration strategies.

Strategy 4: Obtain Additional Funds through Cross-Functional Initiatives for Performance Improvement.

Various cross-functional activities within DHS can significantly increase the amount of federal dollars DHS receives while furthering cross-functional initiatives and service integration -- one of our strategic priorities.

TANF Performance Bonus

Under the federal law that created TANF, a total of \$200 million will be awarded for each of FFYs 1998 - 2002 to the top ten states in four separate performance categories. DHSí welfare to work performance should give us a good chance of qualifying for performance bonus money in one or two of these categories.

TANF High Performance Bonus (HPB) Criteria

DHHSí Administration for Children and Families is initiating discussions of how the performance bonus criteria could be modified to better reflect state performance. Senator Paul Wellstone (MN) recently introduced an amendment that would change the criteria used for evaluating performance. While DHS could adapt to these changes, we believe they would detract from the concept of rewarding high performance in welfare-to-work.

The Wellstone amendment would add criteria to the HPB that would measure the number of former TANF recipients who continue to receive child care and medical assistance, and the number of children in iworking-poorî families who receive food stamps. The HPB payments would be apportioned between the original HPB employment measures and these new measures. While these factors are relevant to ensuring family well-being, they are not directly related to welfare- to-work performance.

DHS will participate in the on-going discussions concerning the HPB criteria and funding award formula in the hopes of promoting the adoption of national performance metrics that better reflect our accomplishments in welfare-to-work.

Illegitimacy Reduction Bonus

DHHS is awarding a total of \$100 million in each of FFYs 1999 - 2002 to the five states that demonstrate the greatest two-year decrease in illegitimate births without a corresponding increase in abortions. The State of Illinois should work with our Congressional delegation to change the basis upon which these awards are made.

These awards are made using data and baselines that are two to four years old. Thus, the awards made for FFY2000 will be based on data from 1997-1998. Using current year funds to reward past performance mitigates the value of the awards as a performance incentive.

DHSí organizational structure and performance management framework, coupled with Illinoisí fairly high current rate of illegitimacy, would give us a realistic chance at capturing some of this funding if we were allowed to prospectively plan for improved performance rather than being rewarded for happening to be among the top 5 states in past performance. In fact, Illinois placed sixth in the National competition for FY 99 under the current format.

The Illinois Delegation should be encouraged to ensure that future awards are based on current or future performance. That may mean delaying the awards or finding an alternate data source.

Strategy 5: Increase discretionary federal funding.

Most DHS divisions/offices vigorously pursue federal funding and waivers and will continue to do so. However, as noted earlier, we intend to pursue these opportunities in a disciplined fashion that ensures a good fit with our strategic direction.

DHS offices monitor the availability of federal grants in the Federal Register and agency-specific web sites (e.g. SAMHSA). In the year ahead, staff plan to step up their Internet monitoring by expanding to other non-traditional sites such as those operated by the Departments of Justice and Housing and Urban Development. However, as noted earlier, much of DHSí effort in this regard assists community-based organizations in capturing federal funding. The results of these efforts will not be reflected in the ICIC reports.

Assets of Possible Value to Other State Agencies

DHS is currently exploring, through its legislative office and the Washington Governorís office, the possibility of developing an interactive legislative website. This would assist all agencies in the process of following legislation and sending alerts to affected agencies regarding legislative changes.

We are also in the process of reviewing an existing database created to track grant information for a specific program area to determine whether this can be deployed DHS-wide and to other agencies. Discussions will be undertaken with the DHHS Office of Grants Management to see if it would be possible to electronically update this database against DHHSí files.

Assistance Needed

Assistance needed by DHS falls under three general categories: advocacy with the Illinois Congressional delegation, advocacy with federal or our sister state agencies, and advocacy with the state Legislature.

1. Advocacy Issues for the Illinois Congressional Delegation Monitoring and limiting changes caused by the Wellstone Amendment

Changing the Vocational Rehabilitation grant formula Changing the Substance Abuse Prevention and Treatment Block Grant formula Changing the Mental Health Services Block Grant formula Addressing the Medicaid exclusion of IMDs Changing the basis or data source for the Illegitimacy Bonus

2. Advocacy with Federal or Sister State Agencies
Initiating a statewide campaign to improve the completeness of Illinoisí census count
Initiating discussions with IDPH about changing our racial classification algorithm for newborns

Advocacy with the Illinois State Legislature Increasing commitment of GRF to:

- i The WIC program
- ii WIC Farmersí Market Nutrition Program
- iii Illinois Diabetes Control Program

Developing the capacity to shift the IMD population to smaller settings that are eligible for Medicaid reimbursement (an alternative to item 1.e., above). This would also help us comply with current case law (the Olmstead decision requires the use of smaller institutions).

AGENCY CONTACT ILLINOIS DEPARTMENT OF PUBLIC AID Jim Dimas 217/785-9681 jim_dimas@gov.state.il.us

ILLINOIS STATE BOARD OF EDUCATION Aid Received (FY99): \$1,071,457,000

The State Board of Education has four key leadership initiatives:

Improving reading and math skills. High quality teachers in every classroom. Early learning for future success. Turning around academically troubled schools.

These initiatives complement the Boardís strategic agenda for the future.

To accomplish the initiatives, additional federal funds are essential. It is the goal of the State Board of Education to:

increase federal funding to support the State Board of Education initiatives; modify federal funding formulas to increase Illinoisí relative share; and increase the capacity and success of local school districts to garner federal funds in order to increase student achievement and support school improvement plan implementation.

OPPORTUNITIES and STRATEGIES

To achieve this goal, the Illinois State Board of Education will seek opportunities to increase federal funding by:

aggressively pursuing federal dollars for Illinois education at the state and local level;

preparing quality and timely federal grant applications and plans;

working with the Illinois Congressional delegation on federal legislation and appropriations, and monitoring subsequent federal rules and information regarding opportunities for Illinois to increase federal funds for education.

Action includes:

Improved communications with Congressional offices and federal agencies as well as the Governorís Illinois and Washington offices;

tracking federal legislation and proposed federal rules and regulations;

working closely with the community colleges, Board of Higher Education, Community College Board and other organizations on education issues at the federal level;

working with agency staff to facilitate submission of federal grant applications, program plans and updates, and responses to federal rules and regulations;

monitoring and tracking applications for education funds being submitted by other state agencies; monitoring federal funds that are being made available directly to local school districts; and coordinating the dissemination and agency response to proposed federal legislation and accompanying rules and regulations consistent with the views of the Board and the Superintendent.

Among the specific grants that are currently being implemented, and that SBE will continue to pursue in the future, include:

Title I, Part A basic grants,

Title I, Part C, migrant education,

Title I, Part D, neglected and delinquent or at-risk,

Title IV, Safe and Drug Free Schools, State & Local Programs (SBE award comes through the Governorís office),

Stewart B. McKinney Act, Education for Homeless Children & Youth,

Title I, Capital Expenses,

Title II, Eisenhower Professional Development,

Title VI, Innovative Education Program Strategies,

Title III, Goals 2000,

Title VII, Bilingual Education,

Partnerships in Character Education,

Summer Food Service Program,

Learn and Serve America,

Emergency Immigration Education,

School-to-Work, Opportunities State Implementation,

Technology Literacy Challenge,

Adult Education Plan,

Title VI, Class Size Reduction,

Vocational Education (Basic Grants to LEAs),

State System for Transitional Services for Youth with Disabilities.

Comprehensive School Reform Demonstration Program,

Preschool grants,

Public Charter Schools Program,

Child Nutrition.

AGENCY CONTACT
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ILLINOIS DEPARTMENT OF TRANSPORTATION Aid Received (FY99): \$811,585,000

Much of the federal transportation funding that Illinois receives is dictated by multi-year authorization legislation enacted by Congress. Congress authorized the highway, transit, rail, and safety programs in 1998 for a six-year period. The legislation will be reauthorized beginning with FFY†2004. Federal authorization for the aviation program expired with FFY 1999 and has not been reauthorized, although there are proposals in both the House and Senate that would last from 2-5 years depending on the proposal.

Most of the funding from these authorization bills is distributed based on congressionally approved formulas. However, there are discretionary grant programs within each modal area that IDOT and local transportation agencies must apply for. IDOT will apply for as many of these programs as we are eligible for. We work with local agencies--transit providers, airport sponsors, planning organizations or cities and counties--to submit grant applications for appropriate programs.

As Congress reviews federal transportation legislation, IDOT works with other transportation interests to suggest formula changes that are beneficial to Illinois.

In FFY 1999, IDOT expects to receive \$812 million in federal transportation funding. Local transit providers as well as airport sponsors will receive more than \$400 million in additional federal funds bringing the amount received in Illinois to an estimated \$1.2†billion.

Due to provisions included in the multi-year highway/transit/safety bill, that amount is expected to increase for FFY 2000. Just how much will depend on FFY 2000 appropriation action by Congress.

OPPORTUNITIES and STRATEGIES

Highway Funding:

For FFY 2000, IDOT has applied for nearly \$160 million over and above an expected \$850-900 million in formula allocation. These discretionary grants include: Interstate Maintenance, \$90 million; Bridge, \$60 million; Ferryboat, \$2 million; and Public Lands, \$5.5 million.

IDOT has been working with the congressional delegation, congressional committees and the city of Chicago to maximize the states' chances for success in these programs. In particular, as in past years, IDOT will seek appropriations earmarks and discretionary grant funding for the top priorities of Stevenson Expressway, Wacker Drive, and the Alton By-pass. In addition, appropriations for other highway and bridge projects throughout the state will be sought.

Transit Funding:

In addition to the formula transit funds that transit providers in Illinois will receive, there are discretionary programs for new starts and bus and bus facility improvements. The CTA in Chicago, Metra, the commuter rail operator in the Chicago region and MetroLink, the light rail system in the Metro East area, all expect new starts appropriations that are expected to exceed \$80 million in FFY 2000; up from \$44 million in FFY 1999.

IDOT expects to receive at least \$8.2 million in bus and bus facility funding for FFY†2000; up from \$6.8 million in FFY 1999.

Two other discretionary programs; clean fuel buses and access to jobs/reverse commute alternatives, offer additional funding that transit providers in Illinois (primarily the Chicago area) will compete for in FFY 2000.

Aviation Funding:

Most of the federal aviation funding to Illinois goes directly to the airport sponsor.

Congress is currently debating multi-year reauthorization legislation for the airport program; the Senate is looking at two years and the House has passed a five-year program. Both bills increase the amount of federal funding for airport improvements, but the House legislation more than doubles the FFY 1999 funding from \$1.95 billion to \$4†billion. That kind of change would dramatically increase funding for airport improvements across Illinois.

Safety Funding:

Illinois received more than \$6 million in FFY 1999 formula highway safety funds and another \$5.8 million because Illinois has a .08 BAC law. We expect similar amounts in FFY 2000. In addition, Illinois has applied for a \$250,000 first time grant for efforts to increase safety belt use in Illinois.

The Division of Traffic Safety will continue to look for ways to increase federal safety funding to Illinois through innovative programs.

Rail Funding:

There is no formula rail funding; all federal funding Illinois receives is in the form of discretionary grants. In FFY 1999 Illinois received a \$1.3 million grant to continue the Positive Train Control (PTC) project on the high-speed rail corridor from Dwight to Springfield. In FFY 2000 we expect to receive \$7 million from the Federal Railroad Administration for continued work on the PTC project. IDOT will continue to seek an appropriations earmark to fund a grade separation (Englewood Flyover) near 63rd Street and State Street in Chicago.

Illinois benefits from the federal capital appropriation for Amtrak, helping Amtrak to improve rail passenger service in Illinois. Illinois continues to work with Amtrak and several Midwestern states to secure funds for high-speed rail passenger service, including engineering, procurement of rail cars and locomotives and construction along the corridors.

AGENCY CONTACT

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ILLINOIS DEPARTMENT OF CHILDREN AND FAMILY SERVICES Aid Received (FY99): \$343,242,000

The program plan for the upcoming year builds on the accomplishments and continuing opportunities carried over from previous years. While some of the following elements are initiatives that have continued from the previous periods, we anticipate that we will also continue to pursue new federal revenue enhancement initiatives, revenue protection and cost avoidance efforts.

OPPORTUNITIES and STRATEGIES

Ongoing Review of Federal Funding Opportunities

The Adoption and Safe Families Act, Subsidized Guardianship demonstration waiver and the proposed Alcohol and Other Drug Abuse demonstration waiver will require modified claiming methodologies and provide claiming opportunities. The Department will analyze these and other similar opportunities and develop procedures to maximize federal reimbursement.

The Department will continue to review the potential for Medicaid claiming for childrenis costs and staff activities to determine if additional activities/costs could be charged against claims to increase administration earnings. Some of these costs may be claimed at enhanced FFP rates to the extent that they address transition issues associated with the de-linking of Medicaid and TANF or, are related to outreach efforts associated with the Childrenis Health Insurance Program (CHIP) under the recently authorized title XXI program.

As the Department moves forward to enhance Title XIX and XXI claiming, we will explore various mechanisms (legislative and/or administrative) to retain a portion of excess XIX and XXI earnings within our budget.

The Department will review selected contracts from the standpoint of federal claiming and documentation requirements. The emphasis of this contract review process will be on new contract or service types that depart from typical services or payment methods to ensure all potential claiming opportunities have been maximized.

The state cannot claim maintenance costs associated with children in unlicensed relative care. The Department has a goal of increasing the proportion of relatives in licensed settings from the current level of slightly under 50%.

The state could review both regular and relative foster care licensure rules to assure that all requirements help assure the health and safety of children or the quality of care provided. If rules could be loosened without harm to children it might not only increase claims but also help in the recruitment of regular foster care homes.

Revenue Protection & Cost Avoidance

Department staff will continue reviewing the Title IV-E quarterly claims to ensure that appropriate costs and allocation methodologies are being applied which continue maximization of earnings in all allowable claiming areas. In addition, we will review costs to determine if additional charges can be made to maintain State Maintenance of Effort requirements under TANF. Federal claiming maximization will require the Department to aggressively defend any disallowances and audit findings related to federal funding.

The Department will continue development of training curricula related to federal benefits and requisite related activities and other related areas, structuring the training programs to optimize federal funding.

The Department will attempt to prepare and implement initiatives to children over the age of 18 that will provide for additional federal funding.

The Department will pursue other Title IV-E waivers that will provide for additional federal claiming opportunities and costs savings.

The Department will continue to pursue alternative methods for obtaining necessary information for the completion of redeterminations (title IV-E) in an automated fashion. This will involve interaction with the Illinois Board of Education; assisting in the implementation of centralized data entry for Purchase of Service (POS) agencies; involving Administrative Case Review (ACR) in the redetermination process; and revising the eligibility forms. These activities will be coordinated with the Statewide Automated Child Welfare Information System (SACWIS) development efforts. Automation of these efforts will free up Eligibility Determination Staffís time to more aggressively pursue obtaining needed information to make new cases eligible.

The Department will continue working with DHHS to negotiate unresolved administrative claiming issues and we will explore various cost allocation alternative methods to ensure federal earnings are maximized.

The Department will continue to aggressively pursue SSI benefits for all of our potentially eligible children.

The Department will continue to consider refinements/alternatives to the Random Moment Time Study (RMTS) system to support enhanced revenue collection and revenue protection opportunities as it relates to both DCFS and private agency administrative costs.

The Department will continue to pursue its research and policy analysis of issues related to payment and federal claiming associated with managed care and performance contracting.

The Department will continue conducting reviews of case records both within the agency and in the purchase of service agencies to determine compliance with federal requirements.

The Department will review and test all federal-claiming programs to verify the accuracy of the federal claiming system output. The importance of this initiative has increased because of the Statewide Automated Child Welfare Information System development effort.

The Department will recruit and establish federal claiming liaisons in each region.

The Department will conduct management reviews, as required, in order to ensure maximum efficiency in fiscal operations and resulting federal claiming/cost avoidance.

Federal Funding Issues for Possible Lobbying Efforts

The Department could use assistance in getting resolution of an audit issue on the claiming of costs associated with the Child Abuse and Neglect Hotline out of the old Emergency Assistance Program. Federal reviewers have agreed that a portion of those costs were claimable and we responded some time ago with our rationale about what percentage was appropriate but we have not received any response back. A mid-range estimate is that the final agreement will net the state \$5.5 million.

The state cannot currently claim private agency training costs at the same enhanced rates as it can for Department staff. Federal reviewers have also resisted creative alternatives we have suggested to produce match to fund private agency training. Resolution of these issues could increase federal funding by as much as \$5 million.

Next year's federal budget may increase independent living funding from \$70 million to \$137.9 million. Illinois's share would increase from the current \$2.8 million to \$12.7 million under the proposed House formula but only to \$7.3 million under the Senate plan. The State should support the proposed House formula.

To encourage states to increase the number of children moved to adoption, Congress passed an adoption bonus program that would provide \$4,000 for each additional adoption over a three year base period ending with FFY 97. In the first year, Illinoisí would have earned about \$12 million for our FFY 98 efforts if the program was fully funded (but it was not). We estimate that the state will receive about \$6 million because the \$20 million appropriation will be prorated. Again for FFY 99 we anticipate qualifying for as much as \$12 million based on the per child formula but the original legislation would not be high enough to avoid proration. Illinois should support the effort to get the adoption bonus program fully funded.

Current federal rules do not allow states to claim costs associated with payments made to for-profit foster care providers. Removing this prohibition would increase FFP by about \$3 million.

Identification of New Grants

The Department currently keeps in close contact with the regional federal staff in regards to grants we might apply for related to child welfare. These contacts include regular monthly meetings at which this and other topics are discussed.

The Department regularly reviews a number of publications to identify grant opportunities including: the Federal Assistance Monitor, This Week in Washington, and Briefings.

The Department has not been reviewing Internet sites for grant related information. However, we will start doing so immediately.

The Department has applied for and received funds from various foundations, including a new grant from Freddie Mac and several from the Chicago Community Trust. We continue to search for these opportunities.

The Department has made a particular effort to assist community organizations in obtaining federal and private foundation grants. In exchange for our assistance we ask that Department representatives be put on advisory councils and that DCFS clients be given priority for services.

AGENCY CONTACT

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ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS Aid Received (FY99): \$300,229,000

OPPORTUNITIES and STRATEGIES

INFORMATION FOR GRANTSWRITERS:

One aspect of the issue -- increasing the return of federal funds to Illinois -- involves providing a greater level of information to key Illinois customers seeking federal grant opportunities. Two broad types of customers are to be served: local units of government and nonprofit organizations seeking new federal funds. Our customers are most interested in grant amounts, application deadlines, federal sources, level of competition, etc. The information we provide must deliver these products to our customers in a simple, timely and direct fashion.

The Illinois Federal Clearinghouse, which will be maintained by the Governor, will be the primary source for grants opportunity information. By measuring the usage of the Web site, we can gauge the effectiveness of this initiative.

Marketing the Illinois Federal Clearinghouse.

In the upcoming year, DCCA will let local organizations know about the Web site through weekly mailings of the 'application identifier' letters. These letters are sent to federal grant applicants who file a record of their federal application with the Illinois State Clearinghouse administered by DCCA.

Approximately 800-900 active grant seekers will be notified in this way. Additionally, DCCA will prepare a news article regarding the Illinois Federal Clearinghouse to be published in DCCA News.

PUBLIC/NONPROFIT SECTOR ASSISTANCE:

In addition to providing valuable, timely grants related information (as maintained on the Illinois Federal Clearinghouse Web site), direct technical assistance for Illinois Federal Clearinghouse customers will be necessary. Securing additional federal grant funds in Illinois will require professional, descriptive and appealing grant applications. Writing grants is a skill that can be learned after trial and error; preferably, it is a skill which can be taught in advance. In addition, some customers may require problem solving guidance, research of fund sources, advice on how to garner local buy-in to the project, or specific application assistance.

The educational methodology used to assist these customers (self-study guides, handbooks, group counseling sessions, workshops, conferences) will depend in major part on the level of resources made available. At least initially, self-study guides will be the primary means used to motivate our customers to undertake more grant-writing activity. The means of tracking the performance of our work should be measured one way during project startup, and other ways once the educational efforts are operational.

State-sponsored Grantswriting Training:

DCCA would like to fund one new position for a grantswriter, who would organize grantswriting workshops throughout the state and coordinate Illinois Federal Clearinghouse activity, including assistance with any university-based research efforts. (This individual could also update the Proposal Writing handbook.) Alternatively, public or private organizations could be hired to conduct grantswriting workshops for local governments, community organizations and nonprofits. These workshops cost an average of \$12,500 to \$20,000 for 3-5 day training sessions.

Additional copies of DCCAis current Proposal Writing Handbook will be distributed on an as requested basis to local units of government and nonprofit organizations seeking new federal funds. Bulk copies of the publication will be made available to groups (universities, state agencies, non-profits, etc.) that conduct grantswriting training and workshops. The "Proposal Writing" handbook is one example of passive education.

PRIVATE SECTOR ASSISTANCE:

Procurement Technical Assistance Centers (PTACs) provide one-on-one counseling, technical information, marketing assistance and training to existing Illinois businesses that are interested in selling their products or services to local, state or federal government agencies. PTACs are located throughout the state at community colleges, universities, chambers of commerce and business development organizations. The primary customer of the PTAC is the small business owner/operator who is unfamiliar with the unique nature of the federal procurement process. PTAC customers are most interested in sales opportunities within the various federal buying agencies, bidding and application procedures and deadlines, pricing considerations, level of competition, and related questions. The information PTACs provide is delivered to clients in a simple, timely and direct fashion.

Over the next year, DCCA staff will again be working with a Chicago advertising agency on a marketing campaign for the PTACs. (Past "rags to awards" marketing efforts have generated the greatest amount of interest in their services.) Additionally, local direct mail advertising and local content newsletters will be continued. These types of local initiatives have proven successful in stimulating PTAC activity.

ADVOCACY:

After increasing the levels of information and assistance which is made available to local applicants, ongoing advocacy efforts should be considered. Even with the most timely, Internet-based notification system, targeted advocacy has the potential for producing the most significant results (in the form of federal dollars returned to Illinois).

DCCA Federal Funds Database:

One key research area relates to identifying the universe of federal programs where DCCA is seeking funding improvement. Over the course of the year, the DCCA's budget office will set up a federal funds database. The purpose of the database will be to maintain all agency federal fund activity in one format. This would include grants applied for, grants received, and matching funds.

Develop a Grant Tracking Mechanism:

The department will be revising our internal database of notices received, in order to capture a larger volume of information about the grants for which Illinois local governments and non-profits apply. This database of information will be shared with the Illinois Commission on Intergovernmental Cooperation (ICIC), which does not have ready access to grant applications made by local governments. This system will utilize both Federal Information Processing Standards (FIPS) and the Federal Award Applications Data System (FAADS). The Clearinghouse will incorporate those codes at the time of data entry, which will assist ICIC's tracking and reporting efforts.

Northeast Midwest Institute Membership:

DCCA has reestablished Illinois membership within the Northeast Midwest Institute. The Institute is a nonprofit public policy research organization which provides services to and represents the interests of its northeast and Midwest member states. The Institute has agreed to assist Illinois and DCCA with a variety of projects related to federal funds allocation. Research efforts could include tracking federal spending activity and grant awards, federal allocation formulas (including beneficial revisions), matching requirements, maintenance of effort requirements, advocacy activities at the federal level, and event sponsorship.

Federal Funds to DCCA:

Beyond all of the assistance provided directly and indirectly to the Clearinghouse, DCCA received federal grants of over \$300 million, scattered across 25 programs. These include welfare-to-work grants, low-income home energy assistance, community service block grants, Job Training Partnership Act, and AmeriCorps, to mention just a few. DCCA has a broad range of project responsibilities and will work within the context of each individual program to make sure that current funding is maintained and new opportunities are pursued.

AGENCY CONTACT

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ILLINOIS DEPARTMENT OF MILITARY AFFAIRS Aid Received (FY99): \$201,670,000

The Illinois Department of Military Affairs is the official channel of communication between the federal government and the State of Illinois on all matters relating to state military forces. The Illinois National Guard is charged with both federal and state missions. The federal mission is to provide highly trained, well-equipped personnel and units capable of rapid deployment when called upon by the president in time of war or national emergency. The state mission is to support civil authorities when called upon by the governor.

OPPORTUNITIES and STRATEGIES

The department's primary elements/key programs, which are directly or indirectly related to accession of federal funding, include:

Military Construction
Operations and Maintenance
National Guard Counter-Drug Program
Community Based Programs
Special Assigned Projects

MILITARY CONSTRUCTION

ARMY NATIONAL GUARD

This program is designed to provide a combat-ready reserve force and facilities for training and administering the Army National Guard units in the state. For armories, this program provides offices, storage, assembly areas, rifle ranges and classrooms. For non-armories, this program provides maintenance, supply, training and other administrative and logistical requirements. Formula Description: Federal funds provide 75 percent of construction costs for armories and 100 percent for non-armory facilities. The state provides 25 percent of construction funds, all necessary real estate and 100 percent of operations and maintenance costs of armories.

Outlays to Illinois: (\$ in thousands) FY 98: \$74 FY 99: \$0 FY 00: \$10,952

Specific Project Opportunities for Military Construction (Army National Guard)

Danville Armory: The present armory, built in 1922, is inadequate for combat training and readiness. The current facility does not meet life safety, plumbing and accessibility codes, contains asbestos, and would be uneconomical to rehabilitate due to its age and size. The State of Illinois allocated \$945,000 for its share of the construction several years ago. To complete the project, \$2,435,000 in federal funding would be necessary.

Sugar Grove (Aurora) Armory: The original armory was destroyed by fire in 1968. Recently, the Illinois National Guard has leased a 1950's tire store to perform training requirements. The present facility is inadequate for combat training and readiness. The space required to accomplish our mission is roughly four times the size of the current space in the tire store. In addition, there is currently no civilian or military parking available. The State of Illinois currently owns a 10 acre site located near the Aurora Airport where the new armory would be constructed. Federal cost of the project is estimated to be \$2,871,000.

Springfield Regional Training Institute: The current administration building is 43 years old. This educational facility requires adequate space to conduct Officer Candidate School, NCOES schools, Battalion Staff and Commander Courses, Company Commander Courses and 1st Sergeant Courses. The current RTI is located in multiple buildings. Construction of this facility would allow for consolidation of

administrative, education, dining and billeting functions. Federal cost for this 134,860 square foot project is estimated to be \$10,494,000.

AIR NATIONAL GUARD

This program is designed to equip the state with adequate facilities at the three Air Guard bases (Scott AFB, Peoria and Springfield). No money enters the state treasury since the funds are disbursed directly by the federal government. This program has no statutory formula.

Outlays to Illinois: (\$ in thousands) FY 98: \$4,544 FY 99: \$8,295 FY 00: \$400

Specific Project Opportunities for Military Construction (Air National Guard)

New Consolidated Facility at the Springfield ANG Base: The consolidated facility will house the clinic and aerospace dining facilities. We have completed a design book and are on the approved Civil Engineering list that would allow for Congressional Funding. The Guard Bureau has given us approval to negotiate a tentative design contract (no funding yet). The building would replace current facilities that are over 30 years old and that have proven inadequate in size and function. The 40,000 square foot building would allow the Wing to move some functions from the existing building (P-14) and solve the present overcrowding. We are approximately 25% under the recommended square footage required to house our people and functions. A new parking lot would be required in addition to the building because the plan places it in the middle of our existing parking area. (Base Master Plan) The projected cost for the building is \$10 million. The parking lot and required drainage and dirt work would add another \$1.5 million.

Consolidation of Units at Peoria ANG Base: Currently, the 182 Airlift Wing (AW) is geographically divided, with the Airlift Wing and most support units located together on the Southwest side of the airport, while the Air Support Operations Center (ASOC) and Air Support Operations Squadron (ASOS) remain in older facilities on the East side. Maintenance, logistics, and communication costs between locations are excessive, and security of equipment at the old location is inadequate. New facilities at the main base are required immediately. Approximate space required is 41,500 square feet and cost for this project is \$7,400,000.

C-130 Flight Simulator at Peoria ANG Base: The C-130 mission now includes the use of training simulators for total crew training. With force reduction, Air Force C-130 wings were disbanded and aircraft were dispersed to several ANG bases in different states. Unfortunately, there have not been enough simulators to disburse, so not all ANG bases receive simulators from the Air Force. As a result, our aircrew must travel to other states to obtain this important and required training. A C-130 Flight Simulator at the Peoria ANG Base would save valuable time and travel money to be better spent on performing mission duties. The estimated cost is \$1,857,000 for this 9,564 square foot project.

OPERATIONS AND MAINTENANCE

The Operations and Maintenance programs for both the Army and Air National Guard include pay, allowances, clothing, subsistence, travel, disability, bonuses and related expenses for personnel. It also includes activities involved in the administration of the National Guard Bureau; training of units; procurement of organizational equipment, supplies and repair parts; services including equipment maintenance; and activities in connection with military support to civil authorities.

ARMY NATIONAL GUARD

This program is designed to maintain state combat-ready troops to supplement the U.S. Army when called by the President and to be used by the Governor for state emergency situations. The state must provide 25 percent of the operations and maintenance cost for non-armory projects, except training facilities that are 100 percent federal.

Outlays to Illinois: (\$ in thousands) FY 98: \$96,920 FY 99: \$103,023 FY 00: \$99,977

Specific Project Opportunities for Maintenance (Army National Guard)

Maintenance and Repair of Army Guard Facilities Statewide: Under this program there is no single major project identified. However, there are over \$11 million worth of minor maintenance and repair projects at the 53 armories and facilities in Illinois.

Note: Over the last few years, the State of California has headed up an effort to get congressional add-on money to increase the Real Property, Operations and Maintenance budget. The Illinois National Guard has supported California's effort which has met with success. The National Guard needs this effort to continue if we are to adequately maintain our facilities and installations.

AIR NATIONAL GUARD

This program is designed to maintain combat-ready operations to supplement the U.S. Air Force when called by the president and to be used by the governor for state emergency situations. This program has no statutory formula.

Outlays to Illinois: (\$ in thousands) FY 98: \$91,524 FY 99: \$91,026 FY 00: \$97,843

NATIONAL GUARD COUNTER-DRUG PROGRAM

This program began in 1990 with \$70 million made available to state National Guards for a number of activities combating illicit drug abuse, including: (1) detection and monitoring of drug smuggling through flight crew surveillance; (2) aerial photography and other imagery; (3) radar surveillance; (4) long-range reconnaissance; (5) assistance in searching containers; (6) transportation of law enforcement personnel, equipment and seized substances; (7) expanded training of law enforcement personnel; and (8) increased loans of military equipment. The program does not include direct participation by National Guard personnel in law enforcement activities such as arrest and seizure. This program has no statutory formula. Grants are awarded on a discretionary basis.

Outlays to Illinois: (\$ in thousands) FY 98: \$1,268 FY 99: \$1,553 FY 00: \$1,313

COMMUNITY BASED PROGRAMS

LINCOLN'S CHALLENGE PROGRAM:

Lincolnís Challenge is a unique program sponsored by the Illinois National Guard that helps high school dropouts between the ages of 16 and 18 earn their G.E.D.s. The program is designed to offer its students a variety of educational and vocational opportunities, as well as life skills needed to become successful members of their communities. Over 70% of the graduates go to college, vocational training, or go directly into the workforce. Federal funds provide 70% of the operations costs for the program, the state must provide the remaining 30%.

Outlays to Illinois: (\$ in thousands) FY 98: \$7,200 FY 99: \$6,534 FY 00: \$6,098

Specific Project Opportunities for Lincoln's Challenge

Permanent Housing for the Lincoln's Challenge Academy: Lincoln's Challenge has been temporarily housed at the former Chanute Air Force Base. The Department of Military Affairs is currently examining alternatives for the structure and location of this permanent program to include a long term fix to the housing issue. The department is recommending the Lincoln's Challenge Academy be constructed on state property either here in Springfield or some place that can facilitate this program. Total estimated cost of the project \$8 million. It can be accomplished in several ways to include direct funding, lease/build or a combination of both.

Tracking Lincoln's Challenge Graduates: Over 70% of the graduates go to college, vocational training, or go directly into the workforce. Data on the success and failure of the graduates in postgraduate activities is currently unavailable. The Lincoln's Challenge program currently has no mechanism for tracking graduates. A program could be established to provide this information with one full-time employee or temporary contract. Estimated cost is \$120,000 annually.

Heating and Air Conditioning System: Lincoln's Challenge Education Center is currently located in an old Air Force hanger on the former Chanute Air Force Base. The air conditioning system was condemned by the Air Force in 1991; two years prior to base closure. The lack of adequate heating and air conditioning is not conducive to an educational environment. Relocation to Smith Hall, a facility on the closed Chanute AFB, designed for educational purposes, would provide the ideal educational facility for Lincoln's Challenge Corpsmembers. Smith Hall would also provide for relocation of most administrative and support functions. Smith Hall modifications are estimated to be \$200,000. If Lincoln's Challenge Educational Center is not able to relocate to Smith Hall or a newer facility, the current system must be repaired. The estimated cost of repair is \$100,000.

Laundry Facilities: Lincoln's Challenge currently leases a facility used as a student laundry. The average student population during a class cycle is 450-500 students. The current facility only provides enough space for 35 household type washers and 35 household type dryers. A larger facility or modification to the existing facility is required to increase the number of washers and dryers available for student use and to allow for upgrade to commercial type equipment. Estimated cost of renovation, including installing new washers and dryers is estimated to be \$100,000.

Sports and Exercise Facility: The program would like to rent and then resurface with all weather materiel, the base 440-yard track located near the old base hospital. Further, it would like to set-up a soccer playing area inside the track. This would provide an off road running and exercise facility dedicated to LCP. The estimated cost is \$40,000.

Confidence Course: Construct a team building and confidence course similar to the Team Challenge Trail located at Fox Ridge State Park. This type facility provides team building while also building self-confidence and self-esteem for the Corpsmembers. This would also eliminate the need for travel and the subsequent time lost en route to Fox Ridge. Estimate cost of this project is \$25,000.

Visitation and Picnic Area: Lincoln's Challenge facilities currently do not provide adequate accommodations for parental visitations. Parents arriving for visits must sign out their children and leave the facilities. The construction of an outdoor Pavilion set-up with picnic tables for use during parent/family visits would provide for the needed accommodations. Estimated cost of construction is \$125,000.

OPERATION FIRST CHOICE

As part of the Drug Demand Reduction office, Operation First Choice is a community program founded on the belief that the National Guard can have a positive impact on youth life-skills development. Youth are taught the benefits of leading healthy, drug-free lifestyles through such concepts as goal-setting and sacrifice. Physical fitness offers youth the opportunity to evaluate their own abilities and set their own goals for improvement. The Drug Demand Reduction office is also involved in local community efforts statewide to educate parents, youth and lawmakers on the dangers of substance abuse. This program has no statutory formula. Grants are awarded on a discretionary basis.

Outlays to Illinois: (\$ in thousands) FY 98: \$29 FY 99: \$31 FY 00: \$41

ILLINOIS STATE MILITARY MUSEUM

The program is designed to establish a permanent museum facility through renovation of a National Historic Register building at Camp Lincoln. Initial state funding in FY94 of \$236,000 for planning and design was supplemented by a \$150,000 state legislative add-on in FY97. An estimated \$955,000 is necessary to complete the project. The museum is the principal activity through which the Adjutant General fulfills his statutory responsibility to "carefully preserve the colors, flags, guidons, and military

trophies of war belonging to the state." This program has no statutory formula. Grants are awarded on a discretionary basis.

Outlays to Illinois: (\$ in thousands) FY 98: \$0 FY 99: \$0 FY00: \$0

BATTLE FLAG PRESERVATION

The program is designed to preserve the State's collection of more than 500 battle flags. This program has no statutory formula. Grants are awarded on a discretionary basis.

Outlays to Illinois: (\$ in thousands) FY 98: \$0 FY 99: \$0 FY00: \$0

Specific Project Opportunities for Battle Flag Preservation

Environmentally-Controlled Storage Facility: A joint project with the Illinois Secretary of State's Office to remove and "rest" the 462 flags currently on display in Howlett Building's Hall of Flags. Requires procurement of 20 flag storage cabinets and construction of a 2,000 square foot environmentally-controlled storage facility. Estimated cost is \$350,000.

Conservation of Battle Flags: Once the flags have been rested, a follow-on project will address the approximately 350 flags which are badly deteriorated and in need of conservation. It will focus on a "flag adoption" solicitation of reenactment groups, veterans' organizations, schools, local municipalities and private corporations in the geographic areas which raised the individual units who carried the flags. Proper conservation of a single 140-year-old flag can cost up to \$10,000.

MILITARY FUNERAL HONORS FOR VETERANS

The Illinois National Guard supports military funeral honors for veterans. If this were fully funded the State could offer appropriate military honors for all Illinois Veterans. It is presently estimated that over 24,000 veterans will be entitled to military honors each year in Illinois. The National Guard does not have the manpower and monetary resources to support this honors program. In addition, veteran's organizations are facing an overwhelming task of supporting these funerals. They are short of volunteers and are not reimbursed for their time or expenses. The amount per funeral could increase significantly if the funeral is for a dignitary. The State of Missouri spends \$2.6 million annually on this program. This program has no statutory formula.

Outlays to Illinois: (\$ in thousands) FY 98: \$0 FY 99: \$0 FY00: \$0

SPECIAL ASSIGNED PROJECTS:

STATE PARTNERSHIP PROGRAM

The Illinois National Guard has entered into a partnership program with the Republic of Poland in support of that nation's developing democracy. The State Partnership Program participates in a military-to-military contact program with Poland's armed forces under the umbrella of the NATO Partnership for Peace Program. The program was an important component of Poland's entry into NATO in 1999. This program has no statutory formula.

Outlays to Illinois: (\$ in thousands) FY 98: \$0 FY 99: \$32 FY 00: \$6

MEDICAL INNOVATIVE READINESS TRAINING

This program was developed to provide training to the National Guard medical community and provide health care to Americans who are poor and homeless. It provides a valuable service to the community by assisting the Department of Public Health resolve the health care crisis. In 1999, the Illinois Army National Guard was authorized to conduct six of these exercises, funded by the federal government. This

program provides school physicals, dental screenings, eye examinations, immunizations, and lead screenings. Educational materials and adult screenings are also provided. In 1998, over 400 individuals received services. If the federal government would fund more of these exercises the National Guard could expand coverage and help more Illinois citizens. The number of individuals in the service area determines the cost of this program.

Outlays to Illinois: (\$ in thousands) FY 98: \$0 FY 99: \$0 FY 00: \$0

WEAPONS OF MASS DESTRUCTION

The Illinois National Guard is in the process of standing up the new Rapid Assessment Initial Detection (RAID) team in Peoria. This 22 full-time position element is a state asset with a regional mission covering six states. This team aids local and state officials during Weapons of Mass Destruction attacks by terrorists. They deal primarily with chemical or biological warfare agents. Under the Governor's control, the unit deploys to an area of operation to assess suspected nuclear, biological, chemical, or radiological event in support of the local incident commander; advises civilian responders regarding appropriate actions; and, facilitates requests for assistance to expedite arrival of additional state and federal military assets to help save lives, prevent human suffering, and mitigate great property damage. This program has no statutory formula.

Outlays to Illinois: (\$ in thousands) FY 98: \$0 FY 99: \$0 FY 00: \$305

AIRCRAFT SYSTEMS UPGRADE

The future of our Illinois Air National Guard units is vitally dependent on the viability of our mission aircraft. This includes upgrades to current aircraft and the procurement of follow-on aircraft. Formula Description: This program has no statutory formula.

Outlays to Illinois: (\$ in thousands) FY 98: \$0 FY 99: \$0 FY 00: \$0

Specific Project Opportunities for Aircraft Systems Upgrade

F-16 Retrofit: The 183rd FW at Springfield is equipped with block 30 General Electric powered F-16C's. These aircraft are capable of being retrofitted to carry the LITENING Laser Targeting Pod and dropping precision laser guided ordnance. The Air National Guard is in the process of acquiring Litening Pods for limited numbers of F-16's. The block and powerplant of the 183rd FW jets is an optimum fit for laser capability. Coupled with the already achieved Night Vision Goggle capability of the Springfield unit, the requirements for both night and precision capability could easily be met for the next five to seven years and would place us on par with the capability of the newer block of F-16 active duty aircraft.

F-16 Replacement: The Springfield-based unit must seek Joint Strike Fighter (JSF) aircraft to replace the F-1 6. A new fighter aircraft might require extensive modification to current facilities at the ANG base at Capital Airport. Additionally, new and improved access to airspace must be assured for future fighter aircraft.

New C-130 Aircraft Purchase: New airlift aircraft are a top priority for this state. Our ability to meet our federal missions will be severely jeopardized if we do not have a follow-on aircraft for the C-130 E at the Peoria unit. Current projections of rising repair and operations cost for the C-130E, built in the early 1960's, reflects a steadily increasing trend which will result in excessive expenses in approximately 5 to 7 years. We must secure C-130J or C-130X aircraft to preserve the future effectiveness and viability of this unit.

KC-135 Schoolhouse at Scott AFB: Although the KC-135E aircraft is expected to remain in the Air Force inventory well into the next century, the 126th Air Refueling Wing must continue to seek expanded roles and missions. The Illinois Air National Guard in cooperation with National Guard Bureau and Air Mobility Command is working to stand up a KC-135E training school at Scott AFB. The first step in this

effort is the placement of an Air Force simulator at Scott AFB for the 126 ARW. Although \$1.6 million has been committed for this project from the Base Realignment And Closure Commission funds, an additional \$1.3 million is need immediately to properly complete the project. A congressional add was initiated in FY 99, but was not accomplished for administrative reasons. The next step in securing the "school house" is funding for the operation. Initial operations & maintenance costs are estimated to be \$4 million per year. These costs cover flying hours and personnel.

KC-135 Conversion: The Illinois National Guard and the State of Illinois should take an active role in advocating re-engineering for the "E" model KC-135. The current engine on the KC-135E, (there are 116 in the ANG), is considerably older than all other models of the KC-135 and does not comply with stage III noise requirements. It will be increasingly costly to maintain in the future. Illinois should actively advocate through legislative and military channels that "E" model engines be retrofitted with an available engine designated the P-7. The P-7 conversion is a cost effective (\$6 million per aircraft vice \$28 million) and totally satisfactory solution to the "E" situation.

AGENCY CONTACT

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ILLINOIS HOUSING DEVELOPMENT AUTHORITY Aid Received (FY99): \$153,772,000

IHDA currently provides funding information on its HUD Section 8 Housing Assistance Payments Program and Section 236 Interest Reduction Payments Program in its bi-annual reports to the Illinois Commission on Intergovernmental Cooperation. The funding for these two programs in FFY1998 amounted to approximately \$152 million and \$6.8 million, respectively. IHDA also receives annual grant funding under HUDís HOME Investment Partnership Program and administers this program, but funding for it appears in the same report under the Illinois Department of Revenue, which serves as IHDAís appropriated agency for this program. The FFY1998 grant amount was \$20.8 million.

OPPORTUNITIES and STRATEGIES

Future reporting will be expanded to include the Low Income Housing Tax Credit Program, which is not a funding program but does provide the State with an annual allocation of these credits for affordable rental housing projects. Illinoisí allocation for Calendar Year 1999 was approximately \$15 million. Since this represents a ten-year credit, the total actual credit amount available to allocate is \$150 million. IHDA can also report on its use of tax-exempt private activity bond cap allocations. In Calendar Year (CY) 1998, this represented approximately \$40 million in new bond cap for both single-family and multi-family projects. CY1999 bond allocation cap requests are currently under review by the Governorís Office, which is responsible for allocating all tax-exempt private activity bond cap in Illinois to eligible State entities and local governments. In addition to this, IHDA has actively worked with the National Council of State Housing Agencies (NCSHA) to build legislative support for increasing the per capita formula amounts currently used in the federal tax code to determine each Stateís allocation of both tax credits and bond cap. These two bills have both been formally supported by Governor Ryan, as well as over 75% of the Illinois Congressional delegation, and previously by House Speaker Dennis Hastert.

IHDA, through its Office of Housing Coordination Services (OHCS), already reports annually on these and some 37 other federally funded programs in Illinois through its Consolidated Plan process (for both projected and actual funding). The latter is an annually required housing plan that must be submitted to the

federal government (via the U.S. Department of Housing and Urban Development - HUD) as a prerequisite/condition to receiving funding under four HUD formula grants administered by the State: the HOME Program (previously referenced); the Community Development Block Grant (CDBG), and the Emergency Shelter Grant (ESG) Programs, administered by DCCA; and the Housing Opportunities for Persons With AIDS (HOPWA) Program, which is operated by the Illinois Department of Public Health. The Consolidated Plan actually serves as the annual application for these funds, which in FFY1999 added up to a total of over \$63 million.

For competitive federal programs, IHDA also historically has notified (by mail and FAX) interested parties when Notices of Funding Availability are published in the Federal Register (and now on HUDís Web page), and will continue to do so. HUD recently has issued funding for its competitive grant programs through a iSuperNOFAî process, with all such program funding announced under three (3) separate notices. OHCS also networks this and related information with over 30 statewide housing-related organizations in Illinois, many of which have regular newsletters in which they also publicize these funding opportunities received from IHDA to their members/clients. IHDA will also explore the establishment for an electronic mailing list for improving its timeliness here.

In addition to the continuation and expansion of the approximately \$370 million in resources referenced here that is anticipated in FFY1999, IHDA also has been, is, and will remain active in directly pursuing ad hoc opportunities for obtaining federal funding by itself as well as jointly with other State agencies and organizations. Recent examples of these efforts include the following:

IHDA has received funding under HUDís Technical Assistance Program grants for its HOME Program. It was awarded funding in 1995 for \$350,000, and again this year (1999) for \$600,000.

A 1995 joint IHDA/Illinois Department of Public Aid (IDPA) application to HUD for 157 Section 8 housing (rental assistance) vouchers for assisting the homeless, which was to be carried out with housing authorities and homeless services providers. (This application for approximately \$5.4 million made final HUD review, but then funding for this special set-aside was rescinded.)

Two consecutive applications were made to HUD under its Housing Counseling Program. In FY1998, \$340,000 funding was approved and awarded to 7 HUD local agencies; in FY1999, a total of \$500,000 was applied for. That application is pending further HUD review and will assist 11 local agencies, if funded.

IHDA strongly supported and provide extensive technical assistance to two separate applicants under HUDís first-time (1999) Rural Housing and Economic Development Program. One was for \$500,000 with the Illinois Community Action Association and its newly created statewide housing community development cooperation, to provide pre-development financing to community action agencies for affordable rural rental housing projects. The second was the Illinois Association of Realtors for a first-time rural homebuyer program for approximately \$200,000, to provide down payment assistance. Both applications were submitted in late May of this year, and are currently under final review by HUD.

IHDA, primarily through its Office of Housing Coordination Services and External Affairs Department, will continue to help organize and conduct workshops on available federal and State funding opportunities, and will continue searching for and implementing methods to improve its monitoring and dissemination of federal funding information both within and outside of IHDA to interested parties.

CONTACT

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ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY Aid Received (FY99): \$151,919,000

IDES receives no state General Revenue Funds for administrative purposes. Our administrative activities are primarily federally-funded through formula grants with none of our federal funding requiring any state funding match. To secure adequate federal funds for Illinois, we employ a strategy of aggressively arguing for appropriate national funding levels because the existing formulas take care of the state distributions. In addition, IDES pursues special competitive grants as appropriate, such as the recently received implementation grants that funded the unemployment insurance profiling project and the start-up costs for employing the One Stop concept in our Illinois Employment and Training Centers.

As a federally-funded agency, IDES regularly educates our Congressional delegation on all issues relevant to our agency. We are also an active participant within the Interstate Conference of Employment Security Agencies (ICESA), which is dedicated to strengthening the National Workforce Development Network through information exchange, liaison and advocacy. The ICESA web site (PRIVATE HREF="(www.icesa.org)" MACROBUTTON HtmlResAnchor www.icesa.org) is an extremely valuable resource that provides comprehensive information, including funding information and grant opportunities, regarding the programs we administer. The Governor's Bureau of the Budget subscribes to Federal Funds Information for States (FFIS), a joint partnership between the National Governorsí Association (NGA) and the National Conference of State Legislatures (NCSL). FFIS is available in both print and internet (PRIVATE HREF="(www.ffis.org)" MACROBUTTON HtmlResAnchor www.ffis.org) versions and is an excellent initial source of Federal grant information as received by States.

OPPORTUNITIES and STRATEGIES

The primary programs that IDES administers (unemployment insurance, employment service and labor market information) are funded via a federal unemployment payroll tax paid by employers, commonly referred to as FUTA. In theory, FUTA provides a dedicated funding stream that can only be used to finance these programs. In practice, FUTA funds are part of the unified federal budget and, as a consequence, the federal government accumulates a sizable portion of FUTA funds to offset the budget deficit. As of October 1, 1998, the FUTA-funded accounts in Washington had a balance of over \$23 billion.

The enactment in 1990 of the Budget Enforcement Act (BEA) exacerbated the situation. Congress and the White House have been encouraged to maintain or grow inflows of FUTA funds while maintaining or reducing outflows. For Employment Security Agencies like IDES, this has meant fewer administrative dollars returned than could otherwise be made available. Additionally, while the federal Reed Act establishes statutory limits on FUTA account balances, to allow for the return of FUTA surpluses to the states, Congress and the Administration have repeatedly raised the limits to hold the money in the federal treasury. The most recent increase occurred in federal fiscal 1998, preventing the return of billions of FUTA dollars to the states.

FUTA return rates vary with the cycles of the economy. Illinoisí FUTA return rate has been as low as 45 cents on the dollar in federal fiscal 1989, during a period of low unemployment, and as high as 2 dollars and 38 cents for every dollar paid during federal fiscal year 1992, when the unemployment workload was high and the federal government used FUTA funds to pay for Emergency Unemployment Compensation. Illinoisí return on FUTA taxes paid by Illinois employers has averaged 80 cents on the dollar for federal fiscal years 1981 through 1996 (the last year of data currently available from the U.S. Department of Labor). However, the average return rate for all states for federal fiscal years 1981 through 1996 was 77 cents on the dollar. Thus, Illinoisí FUTA return rate is above average.

There certainly are legitimate needs that prevent all FUTA funds from being returned to the states. Some portion is spent for federal administrative costs, and, when the economy is growing, it is prudent for the

federal government to save some rainy day money for the increased costs incurred during economic recessions. However, given the large FUTA surpluses currently available, Illinois would be better served if less of this money was held in Washington. More FUTA dollars could be returned to the state to invest in the unemployment insurance, employment service and labor market information programs and/or fewer FUTA dollars could be collected by lowering the federal tax rate for all employers.

This year, Illinois and nine other states have been working with the federal Labor Department in an attempt to develop a package of federal law changes governing the employment security system. Ultimately, the goal is to create a package acceptable to all interested parties (business, labor, the states, the feds, and legal aid groups). Included in Illinoisí efforts are proposals to preserve or expand federal funding flexibility, maximizing the resources available and ensuring their usefulness to Illinois.

Federal legislation enacted in 1997 provides for ispecial Reed Act distributions to the states, making a total of approximately \$12 million to \$15 million available to Illinois for federal fiscal years 2000 through 2002. However, the special distributions are limited to unemployment insurance administration. IDES would like to expand the use of special distributions to include employment service administration, a critical component in the implementation of the federal Workforce Investment Act (WIA)

The federal Labor Department has proposed a performance measure that would effectively prevent states from relying on interest generated by collected state unemployment taxes to pay for banking costs associated with the collection of the taxes. IDES plans to pursue some relief from this prohibition. This issue is worth over \$1 million to Illinois and, absent relief, would put an added burden on our federal funding.

CONTACT

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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY Aid Received (FY99): \$121,752,000

In FY00, the Agency will:

Monitor federal program grant funding to assure that the Agency has applied for and is receiving all the funding for which it is eligible.

Review and monitor eligibility formulae to identify inequities which result in Illinois' share of grants being reduced; work specifically with the Washington Office and the Congressional delegation, as appropriate, to address concerns about the formula applied to the water pollution control grant.

Document concerns about static levels of program grant funding which have the effect over time of reducing federal support for federal programs. The Agency will participate with the Environmental Council of States in data collections and discussion of these issues.

OPPORTUNITIES and STRATEGIES

Program Grants:

The Agency believes that it receives most or all of the federal funds for which it is eligible for base regulatory and enforcement programs for air, water, and land pollution control. In FY00 these federal grants will provide approximately \$6 million for clean air programs, \$14 million for clean/safe water programs, \$2 million for the leaking underground storage tank program, \$5 million for hazardous waste management programs, and \$2 million for federal Superfund programs. The Agency has also entered into federal cooperative grant agreements, totaling \$13 million, to clean up site-specific hazardous waste problems.

The levels of federal funding for these programs are established by various program formulae. Again, we have determined that Illinois receives 100 percent of the federal funds for which we are eligible under these formulae. We have also examined the formulae and determined that, with the exception of the water pollution control program, which will be discussed below, they are equitable and have not changed significantly in recent years.

In federal FY99, the allocation formula for the water pollution control program was modified, resulting in Illinois' share being reduced from 3.1 percent of the federal program grant funding available nationally, to 2.7 percent of the national total. The funding increased by \$20 million nationally, or 21 percent over the federal FY98 level. Under the prior allocation formula, Illinois would have received \$620K of the \$20 million increase, but due to the revised allocation formula, Illinois received only \$190K, or a 6 percent increase (compared to 25 to 50 percent increases for other states). The Agency was active in the proposed formula revision, and we provided extensive comments to U.S.EPA on issues related to the revised formula, but were unsuccessful in affecting the outcome.

Another concern with regard to the level of federal funding is that the amount of federal support has stayed constant over the past several years. This static funding level does not allow for normal inflationary cost increases. And while funding remains constant, the program mandates and performance requirements continue to increase.

Federal Capitalization Programs:

The Agency receives federal capitalization funding for the wastewater and drinking water loan programs. To date, the Agency has received all of the allocation available to Illinois for both of these capitalization programs. For FY00 through FY04, Governor Ryan's Illinois First program will provide the 20 percent match for 100 percent of the anticipated allocations for these federal capitalization programs.

However, even though the State match will be available through FY04, the Agency is concerned with the overall amount of federal funding available for these programs. The President's FY00 proposed budget reflects a \$550 million decrease in capitalization funding for the wastewater loan program. With this proposed decrease, Illinois will lose approximately \$25 million, or 40 percent, in federal funds (from the FY99 level).

In FY00, the Agency will:

Work with the U.S.EPA, at both the regional and national level, and with the Washington Office and the Congressional delegation, as appropriate, to support the continued funding for these program at the FY99 level.

Competitive Project Grants:

The Agency has also been successful in receiving project specific grants through competitive grant selections, for such programs as vehicle emissions testing, pollution prevention, environmental education and small business assistance programs.

In FY00 the Agency will:

Utilize the Federal Register Online to look for federal funding opportunities for environmental programs and projects.

Subscribe to publications such as "Local/State Funding Report" issued by the Government Information Services as a means of learning about federal funding opportunities.

Illinois Commission on Intergovernmental Cooperation Coordination:

The Agency currently reports all federal grant applications at the time of submission and we also report all grant awards.

In FY00, the Agency will:

Review the Illinois Commission on Intergovernmental Cooperation's (ICIC) reports to ensure that the information being reported is accurate and reflective of the Agency's total federal funds.

Federal Procurement:

In the past, the Agency has partnered with the World Bank, U.S.EPA, and the Agency for International Development as a means of promoting to China pollution prevention technologies manufactured by Illinois companies. The Agency has also participated in a trade mission to India to promote Illinois pollution prevention technology companies.

In FY00, the Agency will:

Explore ways the Agency can inform Illinois companies of federal procurement opportunities relating to environmental programs.

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ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY Aid Received (FY99): \$58,790,600

OPPORTUNITIES and STRATEGIES

Block Grant Funds:

The Authority administers all federal block grant funds coming to Illinois from the U.S. Department of Justice except for Juvenile Justice and Delinquency Prevention Act funds. The goal with these programs is not just to pass through money or award grants to eligible recipients but to promote the development or expansion of effective programs. To that end ICJIA will monitor programs and evaluate all large-scale initiatives. ICJIA will work hard to make sure Illinois keeps every dollar we are eligible to receive, including drawing upon a variety of strategies to avoid lapsing funds. ICJIA periodically verifies the allocation of funds from DOJ by re-running the federal formula; mistakes can be made when so many numbers are involved.

Discretionary Funds:

The Authority has a good track record applying for and receiving discretionary funds as the result of a competitive process. ICJIA has two projects winding down now and another about to begin. ICJIA has also had some success securing foundation money.

ICJIA could do more in this area with additional general revenue to strengthen core administrative functions. One concern is that ICJIA may not have the fiscal, personnel, reception (i.e., internal support) needed to manage another major federal grant. And it is precisely these costs the federal government is

unwilling to support, so ICJIA has had to be cautious not to overcommit current staff resources. Avoiding audit findings and a bad reputation with funders is a priority. If resources were abundant, it would be helpful to have a person who could prepare proposals but this is a second priority.

Clearinghouse:

In addition to posting funding opportunities for criminal justice agencies on the Authorityís website, ICJIA could also keep a record of programs or equipment those agencies need and reach out to them if funds become available. With an extra staff person ICJIA could also review proposals from these agencies or even assist with some of the writing of major applications. An additional person would enable ICJIA to host grant workshops, review and comment on draft proposals, and author others on a case-by-case basis.

ICJIA monitors the U.S. Department of Justice website for information of interest to the Authority or their iconstituentsî and passes it on. This includes gathering information about grant opportunities, recent research or news which is relevant to the work of ICJIA.

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ILLINOIS DEPARTMENT OF PUBLIC HEALTH Aid Received (FY99): \$55,589,000

OPPORTUNITIES and STRATEGIES

Office of Womenis Health:

The State of Illinois has one of the best funded Offices of Womenís Health in the country and in large part that is due to the \$3 million in GRF dollars allocated to this program. On the federal side, the only existing federal grant received is the Breast and Cervical Cancer grant funded by the DHHS, Centers for Disease Control and Prevention (CDC). Illinois has recently submitted a competitive grant application to CDC for a new five-year funding cycle at approximately \$3 million/year. DPH received an increase in SFY2000 of \$1 million in GRF for breast and cervical cancer screening that will more easily satisfy the \$1:\$3 match requirement required by the federal government and may allow the program to petition CDC for increased funding.

With respect to monies not directly granted to IDPH, two noteworthy successes are mentioned. The Office of Womenís Health supported the efforts of the U of I @ Chicago, Center for Research on Women and Gender for funding from DHHS and they were one of 18 Centers of Excellence in Womenís Health funded in the country. Also, grants made by IDPH from the Illinois Breast and Cervical Cancer Research Fund have enabled four Illinois-based researchers to receive federal funding from the U.S. Department of Defense Breast Cancer Research Program and the National Institutes of Health-National Cancer Institute.

Office of Health Care Regulation:

The Office of Health Care Regulation has one large ongoing federal grant of approximately \$8.4 million. In FFY98, the Department was successful in convincing federal Medicare authorities (HCFA) to change the cost share for nursing home survey and certification from 33% Medicare, 33% Medicaid and 33% state to 40% Medicare, 40% Medicaid and 20% state. This percentage increase resulted in an additional \$350 thousand to the state of Illinois.

Recently, the federal government announced new initiatives to be undertaken to strengthen enforcement actions against nursing homes. As the survey agent for the federal government, the state (IDPH) will need to conduct additional surveys in general and at ispecial focus facilitiesî and also conduct more surveys during weekend and evening hours. In FFY2000, we anticipate that \$14.5 million will be added nationwide for these activities. The Department's estimated share is approximately \$785 thousand and this will be negotiated when the state submits its FFY2000 Medicare budget to the Health Care Financing Administration.

Office of Health Protection:

The Office of Health Protection (OHP) continues to aggressively seek new federal funding sources whenever they become available. The Department applied for \$2.7 million in new BioTerrorism funding from CDC in May. The Department applied for all five focus areas which include Preparedness Planning, Surveillance and Epidemiology Capacity, Laboratory Capability for Biologic Agents, Laboratory Capability for Chemical Agents and Health Alert Network/Training. In early August, we were tentatively notified by CDC that we were funded for four of the five focus areas, excluding chemical agents, at a reduced level of \$1.2 million. This is a 3 year grant that potentially can be renewed. In the past two months, OHP has applied for two new grants from the U.S. Department of Housing and Urban Development (HUD): Get the Lead Out Phase II and Moisture Control Chicago Demonstration Project.

Over the past several years, OHP has successfully applied for several new grants, including a \$463.5 thousand grant for improving Epidemiology and Laboratory Capacity for Infectious Diseases,î a \$489 thousand grant from HUD for iHousing Opportunities for Persons With AIDSî (HOPWA), and a nearly \$6 million iGet the Lead Outî grant from HUD for lead paint hazard abatement.

The Department has also seen some of its long time categorical grants increase and decrease over the past few years. The most dramatic swings have included the Childhood Immunization grant decreasing by nearly \$7 million in financial assistance in the last three years, while the Ryan White CARE Act grant (Title II) has increased by nearly \$15 million, including a \$6 million increase in April, 1999, over the same time period.

Special attention will be given to this immunization issue. The Association of State and Territorial Health Officials (ASTHO), along with other interest groups, is working to reverse recent reductions in the Childhood Immunization program funding that has halted all infrastructure building and rebuilding and has also adversely impacted service delivery, e.g. closing of immunization clinics, reduced hours, limited outreach, etc.

OHP will continue to search out and apply for all new funding opportunities for which it is eligible. In addition, OHP will assign someone to provide better quality control over the grant application preparation process to ensure that applications are of superior quality, that proper format and protocol are followed, and that timelines are strictly adhered to, in order to maximize our opportunities for successful funding.

Office of Health & Wellness:

The Office of Health & Wellness (OHW) receives three relatively large competitive federal awards-Preventive Block Grant (\$3.3 million), Childhood Lead Poisoning (\$1.5 million) and Core Capacity Building for Tobacco (\$1.6 million). With respect to this last award, we recently received our tobacco award, which was an increase of \$1.3 million over the previous year's federal award.

In addition to these ongoing awards, OHW has current applications pending with CDC for Integration of Health Services for Infants and Children with Genetic Diseases (\$170 thousand); Arthritis Prevention and Education (\$300 thousand); and Water Fluoridation (\$228 thousand). Work is also progressing on two new grant applications that have yet to be submitted. One is to the National Institute of Health for Cancer Awareness for Special Populations and is expected to total \$1.6 million. The other is for asthma and the OHW is in the process of applying to CDC for a \$200 thousand federal award for three years. Only three

applicants will be approved and we understand that 60 applications will be submitted. The application due date is July 19 and we expect to receive notice by the end of September. This award, if approved, would be used to improve data collection with respect to asthma, promote awareness of this chronic condition and provide services to high-risk populations.

Center for Rural Health:

The Center for Rural Health is aggressively seeking additional federal support for its programs. Late in FY99, IDPH received a \$200 thousand federal grant as seed money for the Critical Access Hospital program. On July 2, 1999, IDPH completed its application for an additional \$600 thousand for annual funding of this program. Lastly, the Center for Rural Health is leading an effort to encourage Illinois medical providers to aggressively seek telemedicine funding currently available from USDA Rural Development.

Office of Epidemiology and Health Systems Support:

The Division of Epidemiologic Studies currently receives federal funding support for Occupational Health & Safety, Fatal Occupational Injury and Cancer Registry Enhancement. The Division plans to apply for a birth defects surveillance grant from CDC if funding is made available.

A recent success has been the receipt of \$300 thousand from the Robert Wood Johnson Foundation to conduct strategic planning with external public health partners (Turning Point; Illinois is the only midwest state funded). This was a two year project that is ending but with support from various community partners and DHHS, we are hopeful for continuation funding.

In the Division of Health Policy, two research initiatives are being explored. Both deal with iaccess to careî issues and would be potentially funded by the Health Care Policy and Research Agency, Department of Health and Human Services. One initiative would collect, assemble, analyze and disseminate access-related data and conduct related research resulting in integrated data sets, survey reports and analyses. The other initiative would operate pilot projects to test and demonstrate the effectiveness of various options for improving access to care. These initiatives are only at the point where DHHS published in the April 15 issue of the Federal Register iRequest for Planning Ideasî so potential funding is likely a few years away.

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ILLINOIS DEPARTMENT ON AGING Aid Received (FY99): \$47,375,000

One of the main reasons that older persons remain in their home state after retirement is that the community and state are isenior friendly.î These are places where services, programs, policies, facilities or environment maximize the benefits to older adults and their families by its ease, convenience, helpfulness and support.

A few of the Area Agencies on Aging in Illinois have recognized this issue and have expressed an interest in working on expanding opportunities for older persons in the state, in areas such as affordable housing. The University of Illinois Cooperative Extension Service developed a workshop for iComing of Age in Rural Illinois: Developing Elder-Friendly Communities.î Although the Department has not undertaken a

specific initiative toward encouraging older persons to remain in Illinois, our efforts to improve options and programs for older persons are all aimed at making Illinois a place where seniors want to live.

We are not aware of any specific data that discuss the trend of retirees to move; however, many of our Aging Network Providers indicate that people move to isun beltî states while they are healthy and mobile, then many of them return to families and health services in Illinois when they need additional assistance.

OPPORTUNITIES and STRATEGIES

FEDERAL OLDER AMERICANS ACT:

The Older Americans Act funding received by the Department on Aging is a formula grant based upon the percentage of the nationís age 60 and older persons that live in Illinois, as well as a hold harmless factor. As this percentage decreases because senior populations are growing more rapidly in other states, our federal funding could decrease unless the program appropriations are increased.

The Older Americans Act expired in 1995, although funding has continued through appropriations. Discussions have been held each year concerning its reauthorization and one of the major discussion points has been the interstate funding formula. Because of a hold harmless provision in the act, the fast growing states have not been getting additional funding in relation to their population growth. One version being considered this year is to maintain the funding to states such as Illinois, but award increases in funding to the growth states. This could prevent Illinois from receiving increased funding even when the national appropriation levels increase.

The additional concern for FY 2000 is the spending caps on the appropriations committees as a result of the Balanced Budget Act. The cap could cause a reduction in funding in the Older Americans Act by 10% or more. The FY 2000 budget, as introduced, proposed an increase in funding in home delivered meals and a new care giver initiative for FY 2000 which could bring in as much as an additional \$1.5 and \$5.0 million, respectively, to Illinois if the budget is approved as introduced.

The Older Americans Act occasionally has some discretionary grants available, but this category has been greatly reduced in recent years and the amounts made available have been generally earmarked for specific programs, an area where Illinois could also become involved.

The Administration on Aging as well as the National Association of State Units on Aging notify the Department of federal grant announcements when funds are made available. In addition, the Department makes service providers aware of federal as well as private funding opportunities and in fact some Area Agencies on Aging have been quite successful in receiving grant awards to help support their activities.

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ILLINOIS EMERGENCY MANAGEMENT AGENCY Aid Received (FY 99): \$31,872,000

The Illinois Emergency Management Agency (IEMA) maintains and implements statewide emergency management and preparedness programs that arise from various state statutes, including the Illinois Emergency Management Act, the Hazardous Materials Emergency Act, the Illinois Chemical Safety Act,

and the Emergency Planning and Community Right to Know Act. Based on the requirements of the latter statute, IEMA, as the State Emergency Response Commission (SERC), is required to oversee the activities of the 103 local emergency planning committees.

The majority of funding to support the programs administered by the Illinois Emergency Management Agency is federal funding. The Agency generally receives and expends all of the federal funds for which it is eligible for those programs governed by formulae established by FEMA, USEPA, or USDOT. Those formulae have not changed substantially over the past several years; when they have, the trend has been toward reduction of actual dollars. In recent years, new funding has come to the Agency in the form of new program initiatives, such as the Anti-Terrorism Training and Project IMPACT programs.

OPPORTUNITIES and STRATEGIES

Agency Organization and Federally-Assisted Programs:

Of IEMAís 71 full-time and four part-time employees, only 20 are funded through other state sources; the remaining 51 employees receive some form of federal funds administered by FEMA through the mechanism of a Cooperative Agreement (CA). Of those 20 funded by State revenues, thirteen are a part of the Radiological Emergency Preparedness program. In addition, the Hazardous Materials Compliance and Enforcement (HMCE) program has received a grant from the USEPA to support outreach efforts with respect to Section 112 (r) of the Clean Air Act, considered an extension of the Emergency Planning and Community Right to Know Act. The HMCE program has one employee funded through the Hazardous Materials Emergency Preparedness (HMEP) program funded by USDOT.

The HMCE program receives guidance from the USEPA rather than the Federal Emergency Management Agency (FEMA). Therefore, in addition to emergency management concerns, importance is also placed on environmental issues. The HMCE is currently working in a cooperative effort with other state agencies, including the Illinois EPA, the Department of Commerce and Community Affairs, and the Department of Natural Resources, in order to fulfill IEMAis responsibilities under the Emergency Planning and Community Right to Know Act (EPCRA). Federally-assisted programs funded in FY 99 and administered by IEMA include:

Hazardous Materials Emergency Preparedness (CFDA 20.703)- \$317,000 to assist in developing emergency response plans under the EPCRA, to include training of public sector employees.

Chemical Emergency Preparedness and Prevention Technical Assistance Grants (CFDA 66.810)-\$100,000 to address extremely hazardous substances or high-risk areas.

Hazardous Materials/SARA training (CFDA 83.011)- \$408,000 to deliver training for response to hazardous materials incidents, in accordance with the Superfund Amendment and Reauthorization Act of 1986.

Community Assistance Program (CFDA 83.105)- \$200,000 to ensure that communities that participate in the National Flood Insurance Program are achieving flood loss reduction goals and resolving floodplain management issues before they become enforcement actions.

State Disaster Preparedness Grants (CFDA 83.505)- \$38,000 in matching funds designed to maintain and improve state emergency operations plans.

National Urban Search and Rescue (US&R) Response System (CFDA 83.526)- \$200,000 in matching funds earmarked for the City of Chicago to contribute to a national capability to locate and extricate victims of structural collapse.

Emergency Management-State and Local Assistance (SLA) (CFDA 83.534)- \$3,098,000 in matching funds to develop and maintain state and local emergency management programs and capabilities. Includes

state programs for emergency management assistance, warning and communication, maintenance and services, and terrorism planning.

Mitigation Assistance (CFDA 83.535)- \$125,000 in matching funds that are the result of a combined allocation for the State Hazard Mitigation Program (SHMP) and the Earthquake Program (EP). Match requirements vary from 50-75% depending upon program.

Flood Mitigation Assistance (CFDA 83.536)- \$350,000 in project grants to assist state and local governments in reducing or eliminating the long-term risk of flood damage to buildings and structures insured under the National Flood Insurance Program (NFIP).

Individual and Family Grants (IFG) (CFDA 83.543)- \$2,500,000 in disaster assistance grants made to disaster victims for their necessary expenses and serious needs which cannot be met through other means such as insurance. Federal assistance is matched on a 75/25 basis with the State.

Public Assistance (PA) Grants (CFDA 83.544)- \$10,136,000 in disaster assistance grants made to the State, local governments and certain not-for-profit organizations to alleviate suffering following a major disaster declared by the President. A minimum of 75% federal share is provided to state and local governments for approved projects.

First Responder Anti-Terrorism Training Assistance (ATT) (CFDA 83.547)- \$75,000 in direct assistance for training of first responders and consequence managers of terrorist acts.

Hazard Mitigation Grant Program (HMGP) (CFDA 83.548)- \$13,500,000 in matching funds to implement measures to permanently reduce or eliminate future losses from natural hazards.

Chemical Stockpile Emergency Planning Program (CSEPP)- \$775,000 in direct assistance to improve the capacity to respond to accidents associated with the storage and eventual disposal of warfare agents at the Newport Ammunition plant in Indiana.

Project IMPACT Grants (CFDA 83.551)- \$50,000 in direct assistance to IEMA to promote a community-based, pre-disaster mitigation program to reduce risk to the community population and the cost to all taxpayers for federal disaster assistance programs.

Agency Initiatives:

Review reports issued by the Illinois Commission on Intergovernmental Cooperation (ICIC) to ensure that the information being reported is accurate in representing IEMAís total federal funds. Coordinate with Betty Husky, Federal Aid Coordinator, in reporting all federal grant applications and awards.

Explore the feasibility of receiving project-specific grants through competitive grant selection for the terrorism initiative and others.

Cultivate opportunities for new federal funding of emergency management, utilizing the Federal Register Online. Subscribe to publications issued by Government Information Services such as Local/State Funding Report and the U.S. Opportunity Alert e-mail notification service to further discover sources of competitive grants.

Review and monitor the eligibility formulae to identify inequities in distribution to other states which result in Illinoisí share of grants being reduced. Cooperate and work closely with the State of Illinois Washington office and members of the Congressional delegation to address any inequities.

Work closely with FEMA at the regional and national levels to promote the continued funding of emergency management programs. Sustain dialogue with Washington office and Congressional delegation to encourage funding continuity.

Document concerns about imaintenanceî levels of program grant funding which have the effect over time of reducing federal support for federal programs.

CONTACT

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ILLINOIS DEPARTMENT OF NATURAL RESOURCES Aid Received (FY99): \$26,976,000

The Illinois Department of Natural Resources (IDNR) receives many federal grants each year. They are essential to the success of IDNR programs throughout the range of activity sponsored by this large, multifaceted agency. This report summarizes the current status of federal grants to IDNR and proposes several actions to secure additional funding.

The Current Situation:

Support from federal sources in FY 1999: The April, 1999 report of the Illinois Commission on Intergovernmental Cooperation (ICIC) to the Illinois General Assembly shows that IDNR received almost \$27 million in federal grants during Fiscal Year 1999. IDNRís federal funding has been relatively consistent, showing an annual average over a three-year period of \$25,464,000 representing 22 different programs.

The largest grants are the Abandoned Mined Lands Reclamation Program, \$9,115,000 in FY 99; Sport Fish Restoration, \$5,500,000; Regulation of Surface Coal Mining, \$2,740,000; and Wildlife Management, \$2,435,000. These have been allocated at approximately the same level each year. In addition, IDNR was pleased to be awarded a new \$3,000,000 grant in FY 1999ñ Public Partnership and Community Policing, known as a iCOPSî grant, to be used for increasing the conservation police force.

These annual allocations and competitive grants are vital to the continued operation of IDNR programs and stability of staffing levels. If the federal government chooses to economize by cutting back in these areas, the impact on IDNR would be very serious. Thus, even as we seek new and expanded funding opportunities, existing program support must be sustained.

Other income from federal sources:

Significant funding comes to IDNR each year that is not cited in the ICIC annual report. This funding includes:

Grants awarded to the Illinois State Museum. The grants come from federal agencies, foundations, and other donors and go to the Illinois State Museum Society, a 501(c)(3) organization. The grants enable the Museum to enhance its displays, extend its outreach and educational efforts, and undertake research.

Grants to the state scientific surveys (geological, natural history, and water) and the Waste Management and Research Center. These grants are administered through the University of Illinois, Urbana-Champaign, and represent critical support for scientific research and staff.

These entitiesnthe Museum, the surveys and WMRC, which together comprise IDNRs Office of Scientific Research and Analysisnare actively interested in increasing their annual funding from new sources, whether that means federal grants, foundation awards, or private donations.

In addition, the Board of Directors of the Illinois Conservation Foundation (ICF) has expressed its interest in accessing new sources of funds to augment its revenue from special events, corporate gifts, and individual donors. ICF is currently exploring possibilities in the foundation world and the federal government.

Role of IDNR staff: In general, the various offices of IDNR are thoroughly aware of funding opportunities appropriate to their programs. Through their professional associations and experience in their fields, they are quite alert to the options available to them.

In addition, IDNR staff members inform local entities nunits of government, private organizations, individuals and businesses not state and federal funding sources.

OPPORTUNITIES and STRATEGIES

1. The single greatest opportunity to increase federal allocations is found in the current proposals in Congress to dedicate half (about \$2.5 billion) of annual income from Outer Continental Shelf (OCS) oil and gas drilling to conservation and recreation. Illinois could gain at least \$30 million each year in new funding for Lake Michigan shoreline restoration, outdoor recreation, urban parks, and wildlife species and their habitats.

IDNR plans to continue its active efforts of the past several years to develop public and governmental support for the OCS funding initiative. This campaign is notably strengthened by Governor Ryanís recent expression of support for OCS conservation funding.

2. A special effort should be made to assist the Illinois State Museum, the scientific surveys, the Waste Management and Research Center, and the Illinois Conservation Foundation to pursue new grants for their programs and staffs. Given their high level of current interest and exploration, it is very timely to focus efforts with these groups.

Note: A means should be found to acknowledge the millions of dollars that are awarded to these IDNR entities each year. If they cannot be listed in the ICIC annual report, another way should be devised to provide recognition to IDNR for the successful procurement of grants.

- 3. Make sure that IDNRís existing annual entitlements continue to flow so that programs carry on without cutbacks. Look for opportunities to enhance formulas and ensure that Illinois receives its fair share of funding.
- 4. Alert each office and division with IDNR to the Illinois Federal Clearinghouse. A specific person in each unit should be assigned to monitor the clearing house web site and other information sources on a frequent and regular basis.
- 5. Interviews should be conducted by the Clearinghouse contact person with each IDNR office eligible for federal funding. In this way, it will be possible to gain a better understanding of their current grant resources, their ambition for new ones, and their need for information.

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ILLINOIS DEPARTMENT OF REVENUE Aid Received (FY99): \$421,000,000

The Department of Revenue's primary function is to collect taxes for the state and local units of government. In FY98, the Department collected \$21.5 billion in tax revenues. The Department also has ancillary functions which include administering the tax relief and pharmaceutical assistance programs for the elderly and persons with disabilities; oversight of the property tax assessment system and equalization of the level of property tax assessments among Illinois counties; regulation of riverboat casinos; serving as the funding agent for the Illinois Housing Development Authority and collecting delinquent child support payments on behalf of the Illinois Department of Public Aid.

Federal monies available for Revenue initiatives per se, have been scarce, although a recent report listed the department as having three separate funding projects for the FY97 ñ FY98 period. Included in the three was pass through monies accepted for Illinois Housing Development Authority and two motor fuel tax enforcement related grants for 1997. One program was not re-authorized and the Department is currently attempting to get additional funds from the other, which was reauthorized under a new name.

Several Revenue activities result in enhanced federal monies for other state agencies. For example, Revenue collects delinquent child support payments for Public Aid. These payments are sent directly to that agency and each assistance payment is matched with federal funds at a rate of \$.66/\$1.00 collected.

OPPORTUNITIES and STRATEGIES

As the Comptrollerís office stated in its 1998 Comprehensive Annual Financial Report, iThe more efficiently the Department can collect taxes, the greater portion of tax monies that will be available to fund State programs.î This is important as much for the speed in which funds are collected as it is for the amount.

To ensure Revenue is operating at its peak in the rapidly changing tax administration environment, the Department is focusing on retooling and re-engineering its infrastructure and programs to maximize efficiency and effectiveness. Common sense thinking and technological innovation will be employed to improve customer service and provide enhanced administrative accountability.

On the infrastructure side, automation and state of the art technology are at the forefront of keeping pace with our business needs and requirements. Considerable resources will be needed to re-engineer systems and applications to accelerate processing time lines which will result in more immediate availability of state revenue for investment purposes. Imaging and database warehousing will also be employed to reduce paperwork, storage, distribution costs and provide for seamless integration of taxpayer information contained in numerous disparate databases.

On the programmatic side, IDOR will position itself to assume a leadership role in the electronic marketplace. With a taxpayer centric perspective, initiatives are being identified that will fully utilize electronic technologies such as the Internet, electronic data interchange, (EDI), interactive voice response systems, and interactive television. These technologies, coupled with various electronic payment methods, (payment cards, electronic fund transfers), will facilitate taxpayer filing, remitting and obtaining account information 24 hours a day from any location. This in turn will enhance voluntary compliance.

Technological re-engineering and retooling is very expensive. While Revenue firmly believes that the strategic planning and performance review process, when linked with budgeting, will allow the Department to be very competitive in the state funding process, we are aware that appropriations may not be adequate.

Unfortunately, conventional wisdom and experience have shown that revenue agencies are not prime candidates for federal dollars and grants. The same can be said for foundations. The challenge we face is how to market, promote and write about our activities in such a way that they relate to the issues du jourî.

If we are able to articulate how enhancement of a system(s) or use of a technology will allow the Department to do a better job, resulting in a desired outcome for a specific issue, we improve the chances of being awarded funds. As such, under the umbrella of improved voluntary compliance and customer service, which are integral to our mission, the following will be Revenueís approach:

deadbeat dads:

Revenue collects delinquent child support for Public Aid. Collections include `assistance cases`, where the custodial parent or children receive public assistance and `inon assistance`, where the custodial parent or child does not receive assistance. Collection of assistance cases helps to recoup state money paid out as welfare benefits and collection of non-assistance cases is instrumental in keeping new people off the welfare rolls. Revenue currently does a good job but could do much better with system enhancements such as data warehouse mining capabilities. Funds would be sought for these enhancements.

WOMEN OWNED BUSINESSES:

Women owned businesses are the fastest growing segment of the U.S. economy. In Illinois women are opening businesses at the rate of 4 to 1 to all others. Frequently, a determining factor in the success or failure of these businesses is the understanding of tax obligations and responsibilities. The Department of Revenue is partnering with the Governorís Commission on the Status of Women to identify specific problem areas and develop seminars, training sessions, a website etc. to address them. Funds may be available to put these initiatives together.

These are but two examples. By being creative and thinking ioutside the boxî we are confident we can improve upon the agencies previous performance in seeking federal or foundation funds.

Revenue has already met with ICIC staff to determine how they can assist in identifying federal opportunities. We will jointly be developing a research template which can be used by other state agencies for requesting ICIC help. As we progress updates will be forwarded to the Clearinghouse office.

Additionally Revenue will:

Begin operation of a pilot project with the Internal Revenue Service in April, 2000. This pilot will allow business taxpayerís to pay Illinois taxes through the Electronic Federal Tax Payment System; seek out opportunities to partner with other state agencies and private sector entities; and investigate (in conjunction with the Governorís Office of Technology) alternative strategies for securing Information Technology funding.

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ILLINOIS DEPARTMENT OF VETERANS AFFAIRS Aid Received (FY99): \$15,318,000

The Illinois Department of Veteransí Affairs (IDVA) is charged to assist Veterans, their dependents and survivors in obtaining all benefits to which they are entitled.

OPPORTUNITIES and STRATEGIES

The Department's primary elements/key programs, which are directly or indirectly related to federal funding include the 43 field offices located statewide and the Illinois Veterans Homes at Quincy, Manteno, LaSalle, and Anna (privatized).

FIELD SERVICES:

Although not federally funded, these generate millions of dollars every year for Illinois veterans, their dependents and survivors through applied entitlements. The total USDVA expenditures for Illinois in FY 98 was approximately \$1.5 billion dollars, which included the operation of Illinois based Veteran Administration Medical Centers.

STATE VETERANS HOMES:

Per Diem Payments to State Veteransí Homes by level of care:

The current payment is \$43.92 for nursing care and \$19.52 for domiciliary care. The Homes file for these federal dollars on a quarterly basis. New rates normally take effect at the start of the new federal fiscal year on October 1st. We understand that the V.A. Central Office has proposed a 15.1% increase in nursing care per diem to \$50.55 and a 9.78% increase to domiciliary rates to \$21.43 to be effective October 1, 1999.

Nursing Home Care Formula Description:

For each veteran provided nursing home care, formula payments to the state are for \$43.92 per diem or one-half the cost of care, whichever is less.

	FY97	FY98	FY99
Outlays to Illinois: (\$ in thousands)	\$13,008	\$13,623	\$14,396

Domiciliary Care Formula Description:

For each veteran provided domiciliary care, formula payments to the state are for \$19.52 per diem or one-half the cost of care, whichever is less.

	FY97	FY98	FY99
Outlays to Illinois: (\$ in thousands)	\$350	\$362	\$385

U.S. Department of Veteransí Affairs Construction Grant:

This grant allows for the reimbursement to states for new construction or remodeling when the project is for new beds, life-safety improvements or ancillary services that directly impact the residentsí quality of life. This grant reimburses up to 65% of costs incurred. The downside of the grant is that it usually takes several years after the project is completed before reimbursement occurs. The federal appropriation historically falls short of the multi-millions of dollars on the approved project list.

U.S. Department of Veteransí Affairs, Division of Memorial Affairs State Cemetery Grant:

This grant has been used twice for improvements to Sunset Cemetery at the Quincy Veteransí Home. When the grant was utilized at the Quincy Home it was a 50/50 matching grant with the appraised land value allowed towards the state 50%. In the past year, the grant was changed to a 100% federal grant for construction or improvements. The problem for states seeking to establish new cemeteries is that there is

no federal dollars available for perpetual maintenance, but despite this Illinois was successful in creating a new veterans cemetery near Joliet (Lincoln National Cemetery).

STATE APPROVING AGENCY (SAA):

The State Approving Agency enters into a Reimbursement Contract with the United States Department of Veterans Affairs (USDVA) under which the SAA is reimbursed for salary, travel and administrative expense. The amount of funding depends on the number of active schools and training establishments.

The only way to increase SAA funding is to increase the number of active schools and training establishments and then hire all of the individuals that the staffing formula will allow. The SAA is reimbursed for the actual expenditures for salary and travel. However, the administrative expense is a percentage of what salary we actually spend and rolls over from year to year whether the SAA spend the money or not.

OTHER OPPORTUNITIES:

Should the Illinois Department of Veteransí Affairs initiate proposals to the VA and HUD for homeless veteran programs, a 50% match would be required. Since the IDVA budget does not currently accommodate funding for match, a request for matching funds would have to be made to the General Assembly.

Some additional possibilities for federal funding generators include:

Conversion of existing Illinois Veterans Home ñ Quincy domiciliary units to affordable senior citizen housing.

Creation of elder day care programs at existing Veteran Homes or VA facilities. Seeking partial federal reimbursement for field staff.

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ILLINOIS STATE POLICE Aid Received (FY99): \$13,382,000

OPPORTUNITIES and STRATEGIES

As part of implementing Governor Ryanís performance-based strategic management system, the Illinois State Police redefined programs to access accountability directly. The newly reported programs are Patrol, Investigation, Forensic Service, Human Resource, Communications, Information Services, Integrity and Agency Support. The following delineates ISPís priorities for continued and new funding by these program areas.

The Illinois State Police have long been active in applying for grants for partnerships, personnel and technology. The agency will continue to aggressively pursue resources and outside funding for all programs, but one area in which efforts are intensifying is in relation to forensic sciences and the need to solve crimes and administer justice in a timely manner.

Patrol (continued federal funding):

DUI Enforcement - \$641,600 is requested from U.S. DOT to reduce DUI crashes and fatalities. Regional Law Enforcement Liaison - \$38,000 is requested from U.S. DOT to provide police input to highway safety issues.

Motor Carrier Safety Assistance/Drug Interdiction - \$3,142,700 is requested through U.S. DOT to reduce the transport of drugs and commercial vehicle crashes.

Special Traffic Enforcement - \$902,100 is requested through U.S. DOT to reduce fatalities and injuries on the roadways and to raise safety belt and speed compliance.

Patrol (new funding):

Eye Check - The Regional Sleep Disorder and Research Center, Rockford, Illinois, and ISP are involved in a pupillary study to detect driver fatigue and substance abuse. ISPís December 1998 grant application to NIJ was rejected. ISP is searching for funding from the National Research Council and COPS grants. Roadway Safety Equipment - \$133,250 is being requested from U.S. DOT to obtain radar and video camera equipment and thermal imaging technology to assess hidden compartments in commercial vehicles. Fatal Five Enforcement - \$1,875,150 is requested from U.S. DOT to focus on aggressive drivers, the underlying causes of crashes and crash reduction.

Intoxilyzers - Funding is needed to replace 450 breath analysis instruments which are either not Y2K compliant or no longer manufactured. Approximately \$3 million is needed to replace the units. Funding is being sought from the National Highway Traffic Safety Administration (NHTSA).

Investigation (continued federal funding):

National Criminal History Improvement Program (NCHIP) - Plans are to receive \$1.3 million NCHIP funds in year five of a DOJ grant to improve the accuracy, completeness, timeliness and accessibility of criminal history records.

County Work Groups - \$100,000 is requested through the Illinois Criminal Justice Information Authority ICJIA to provide comprehensive training and guidance to criminal justice agencies in order to improve the timeliness, completeness and accuracy of CHRI (Criminal History Records Information).

Child Homicide Task Force - \$233,000 is requested through the ICJIA to assist in the investigation and solution of child homicides by including professional personnel from different disciplines.

Computer Evidence Recovery - \$48,000 is requested through the Illinois Criminal Justice Information Authority to extend the statewide computer evidence recovery program.

Medicaid Fraud Investigations - \$2,200,000 is being requested through the U.S. HHS to investigate and solve medicaid crimes. These cases are investigated in collaboration with the Illinois Attorney General and Department of Human Services.

Alcohol Countermeasure Enforcement - \$796,250 is requested from U.S. DOT to reduce the sales of alcohol through underage minor purchases and, therefore, to reduce DUIs.

Cash Crop - \$425,000 is requested from DOJ to eradicate marijuana plants growing in rural Illinois.

Investigation (new funding):

Violent Crime Initiative - \$300,000 is being requested from the ICJIA for violent crime and drug projects. Methamphetamine Initiative - \$1,000,000 is being requested as a result of Senator Durbinís initiative to combat the making and use of methamphetamines.

State Identification Systems Formula Grant - \$163,200 is being requested to obtain COBOL and DB2 application software, productivity and management software and statistical software. The COBOL and DB2 application software will help detect and resolve applications errors and eliminate downtime for the state identification system.

Violence Against Women Grant - \$45,000 was awarded to ISP to obtain information from other states to enter out-of-state orders of protection to LEADS (Law Enforcement Agencies Data System) and to develop computer-based training for other agencies.

Firearms Control - \$150,000 is being requested from the Department of Justice NCHIP (National Criminal Justice History Improvement Program) to implement the firearms control program which includes the issuance of firearm permits.

Reflective Ultraviolet Imaging System - \$50,000 will be sought from the Illinois Criminal Information Authority to acquire a portable light source which enables Crime Scene Investigators to detect evidence which is not visible to the naked eye.

Statewide Records Management System - \$873,000 was awarded jointly to the ICJIA and the Illinois State Police to implement a statewide records system and to integrate computerized systems.

Forensic Service (continued funding):

DNA Expansion and Upgrade (Phase IV) - This project is funded through the ICJIA through October 2000 and provides comprehensive state-of-the-art forensic biology services. ISPís Division of Forensic Services has Phase III funding that continues through December 1999 but was unsuccessful in its application for Phase IV funding. There is an NIJ solicitation in December 1999; funding from this source would allow the program to continue through SFY01.

Forensic Service (new funding):

Digital Imaging Network - \$400,000 will be sought from the ICJIA to improve the state's capability to capture latent print identifications and patterned evidence using a computer-based system. This imaging program will be integrated into a high-speed network with existing laboratory information systems. Shoe Box Lasers - \$101,000 will be requested from the ICJIA to purchase more portable and less costly laser technology in order to locate latent prints.

Forensic Service (funding source not yet identified):

Forensic Science Institute - ISP is actively pursuing funds needed to construct an institute to house training and applications, research and development, information systems and quality assurance programs for the Forensic Sciences and Crime Scene Services commands. Funding will be sought at the state level for operational costs.

DNA Backlog ñ As with many other states, the demands for DNA analysis have increased dramatically, placing a tremendous strain on analytical resources. Within Illinoisí system, DNA case backlogs have climbed steadily, resulting in multi-month turnaround times. Assistance in this area is critical to provide quality and timely service to the victims of serious crimes.

Current Federal Initiatives of Interest to Forensic Services:

Public Law 105-251, the Crime Identification Technology Act was passed but is awaiting funding. This bill identified \$50 million for the forensic sciences.

Senate Bill 1196 and House Bill 2340, the National Forensic Sciences Improvement Act, was drafted in 1998 but has yet to be enacted. The bill, if enacted, provides funds for facilities, personnel, computerization equipment and training at the following levels:

FY00	\$216.6 million	FY01	\$204.6 million
FY02	\$194.6 million	FY03	\$ 87. 6 million
FY04	\$ 65.6 million		

The 21st Century Justice Act of 1999 is a presidential initiative identifying \$350†million for crime fighting technologies including crime laboratories and DNA technology. This bill has been referred to committee. The Crime Laboratory Improvement Program (CLIP) included \$75 million in DOJís budget for DNA and general crime laboratory improvements. The Senate Appropriations Committee is recommending \$30 million.

Human Resource (continued funding):

Safe and Drug Free Schools and Communities Act - This provides \$1,580,000 awarded by the Department of Education to continue the statewide DARE program, substance abuse prevention, public education initiatives and violence prevention education in schools.

Increasing Officer Accountability Program - \$50,000 is requested from the Violence Against Women Grant in order to encourage officers to report violent behavior within police families and to train officers in the recognition of such behavior.

Agency Support (new funding):

Bulletproof Vest Partnership Grant Act of 1998 - The Illinois State Police applied for funding under this program which provides up to 50 percent of the cost of the vests to those applicants who are approved. Public Housing and Crime Research Project - The National Center on Violence Research (NCOVR) is interested in research which explores the link between public housing and crime. ISP is collaborating with Georgetown and Carnegie Mellon universities to draft a proposal. Research efforts have begun at Northwestern and U. of I., Chicago. The research proposal will include neighborhood measures of socioeconomic structure and individual measures of criminal activity. The research will be conducted in Chicago, Illinois.

Cities ñ Homicide Project - Building on information available in the St. Louis Homicide Project and the networking between ISP personnel, local agencies in metro-east, and the U.S. Attorneyís office, consideration is being given to approaching Missouri officials about an Illinois/Missouri Homicide Project. Funding might be available from NIJ or NCOVR.

Federal Funding Formula:

One of the criteria used in the federal funding formula is the crime rate/index. Illinois, because of its population and crime rate, should be in the top ten percent of those receiving federal funds. However, population alone should not be the deciding factor as rural law enforcement face special needs, including the growing methamphetamine problem. Through COPS Universal, ISP hired 350 officers. The cost of assuming these salaries is budgeted in state fiscal years after federal money ends, however some type of phase out formula would ease the burden of the complete shift of costs in one year.

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ILLINOIS DEPARTMENT OF CORRECTIONS Aid Received (FY99): \$6,271,000

OPPORTUNITIES and STRATEGIES

The Department currently receives funding from a number of Federal grant programs. These grants include:

Violence Against Women Act (VAWA);

Victims of Crime Act (VOCA);

Juvenile Justice and Delinquency Prevention (JJDP) formula and challenge grants;

Juvenile Accountability Incentive Block Grant (JAIBG);

National Sex Offender Registry (NSOR);

Edward Byrne Memorial/Anti-Drug Abuse Act (ADAA);

Residential Substance Abuse for State Prisoners (RSAT);

State Criminal Alien Assistance Program (SCAAP);

Violent Offender Incarceration/Truth in Sentencing (VOI/TIS); and

various other grants.

The Department receives funding for some of these programs through the Illinois Criminal Justice Information Authority (ICJIA). In addition to acting as a clearinghouse for these grants, ICJIA also provides information on other grant opportunities. The Department's Grants Coordinator, Ms. Margie Groot, has numerous contacts in the various federal programs, other state agencies, and not-for-profit community organizations that have an interest in corrections. The Department also takes advantage of newsletters, the Internet, and other available forms of notification to learn of grant opportunities.

Recent priorities at the Federal level have focused on female, juvenile, and substance abuse grants. As a result, the Department has initiated programs that meet the qualifying criteria for funding under these grants. Other examples of Department efforts to maximize Federal grant opportunities include:

Develop strategic plans that will permit timely responses to new grant programs; Dedicate staff to monitor the accounting/fiscal aspects of federal grants; and Continue to disseminate information on grant opportunities to key Department staff.

Frequently, Department programs may meet the general concept of federal priorities; however, because the emphasis may be slightly different from the Federal focus, the Department must change its program in order to qualify for funding.

Under the VIO/TIS program, which provides funding to increase correctional capacity, Illinois received an initial award for the Truth in Sentencing (TIS) portion of the grant. However, because Illinoisí TIS statute is not consistent with the Federal definition of Part I Violent Crimes, it no longer receives awards under this grant. Illinois legislators were cognizant of the Federal grant program but because of the enormous cost of enacting sweeping TIS laws, the General Assembly limited the scope to the most serious offenses. Other states played ishell gamesî with their statutes, eliminating good conduct credit at the same time cutting sentence ranges in half, that resulted in them meeting the federal requirements. Illinois should be permitted to receive at least partial funding for its TIS law which made a real change in criminal justice policy compared to actions taken by some other states.

The Department can always benefit from an overall increase in funding for any of the Federal programs it utilizes. It can also receive a greater share of program funding if other states are limited. For example, nearly three-fourths of the total SCAAP award goes to three states: California, Texas, and New York. California alone receives nearly 45% of the funds available under this program.

CONTACT

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ILLINOIS DEPARTMENT OF AGRICULTURE Aid Received (FY99): \$5,179,000

OPPORTUNITIES and STRATEGIES

For FY00, the Department is pursuing the following steps to increase federal funding opportunities:

Review Existing Federal Funding Formulas

The federal funds the Department receives are based on fixed formulas and total federal funding caps applicable to all states that receive funding. Therefore, additional funds will not accrue to the Department

unless the total amount available to all states is increased. The Department is developing a list of federal programs it currently receives, the formulas, and the total amount received in FY99. This list will be forwarded to the Federal Clearinghouse when developed. Assistance will be needed in raising the federal funding caps if additional funds are to be received.

Pursue New Funding Opportunities

The Department is checking the Federal Clearinghouse weekly to identify agriculture related grant opportunities. The Department has also subscribed to the Federal Information Exchange (FEDIX) e-mail alert service for grant opportunities. Opportunities are logged and forwarded to appropriate personnel for feasibility and grant application development.

Food Safety Funding

The Department requested a one-time FY00 appropriation of \$1.1 million to participate in USDAís Field Automation and Information Management (FAIM) project, part of the Presidentís Food Safety Initiative. FAIM offers new federal money on a 50% match basis to computerize state meat and poultry inspectors. (The 50% match basis is what the federal government currently provides to support the Stateís meat inspection program). The Stateís GRF contribution for the FAIM project is \$550,000. The Department did not receive funding for this project in FY00, but will pursue funding again in FY01. It may be possible to receive 100% federal funding for this project outside of the established program.

FOOD SAFTEY INITIATIVE

The Department requested a one-time appropriation of \$1.1 million to participate in USDAís Field Automation and Information Management (FAIM) project, part of the Presidentís Food Safety Initiative. FAIM offers new federal money on a 50% match basis to computerize state meat and poultry inspectors. The GRF contribution for this project is \$550,000.

The initiative will further Governor Ryan and Director Hamptonís food safety goals by streamlining implementation of the federally-mandated Hazard Analysis/Critical Control Point (HACCP) 1 inspection system. Specifically, FAIM will provide 140 state inspectors and supervisory personnel with hardware, software, training and field support for HACCP and other inspection duties. The requested appropriation will also enable the Department to hire one full-time computer support person devoted to the Bureau of Meat and Poultry Inspection.

The FAIM project will put at inspectorsí fingertips the myriad of necessary inspection forms, as well as volumes of HACCP-related reference materials and implementation guides. Inspector efficiency and effectiveness will increase as time currently devoted to paperwork is cut between 50 and 75%. FAIM thereby frees additional inspector hours to focus on other meat and poultry safety issues.

By moving toward a paperless inspection system, FAIM will significantly decrease Department costs associated with printing and mailing weekly schedules of federally-mandated inspection tasks -- a column of paper literally 33 feet tall. The Department's program administration efforts also stand to benefit from FAIM, as local applications for electronic transfer of travel vouchers, overtime and other payroll forms are added to the system.

In addition, the Department requested \$200,000 over two years to establish a Quality Assurance Certification Program for small meat and poultry slaughter and processing plants. Under this voluntary certification program, the Department will contract with food safety experts to provide education and HACCP compliance training to plant management and employees.

Plant certification will enhance food safety. The Departmentís inspection experience has shown that the majority of plant deficiencies result from employees who are unaware of proper procedures and regulatory standards. The Certification Program will educate plant employees and management on preventive strategies, proper handling procedures, HACCP regulatory standards, and control of emerging pathogens. In a recent survey, 85% of plant managers surveyed, or 530, indicated a need for HACCP education.

In addition, the Certification Program will help keep small meat and poultry businesses in operation and preserve their contribution to the rural economy. Continued viability of some plants2 may be threatened by costs associated with implementation of the federally-mandated HACCP system. In a recent survey, 80 plant managers or 15% of those responding, stated they could not survive under HACCP, and 82 responded they were unsure of their ability to survive. Combined, this represents 30% of all plant managers surveyed. The certification program will provide HACCP implementation education and consultation, as well as information on applicable economic incentives, such as job creation, tax credits and retraining grants.

Illinois receives funding for child nutrition programs through the U.S. Department of Agriculture (school breakfast, lunch and snacks). We will continue to seek additional funding as appropriate in order to increase nutritional opportunities for children and youth.

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ILLINOIS BOARD OF HIGHER EDUCATION Aid Received (FY99): \$2,283,000

For the most part, IBHE does not serve as a central clearinghouse for Federal dollars in the State. The overwhelming amount of federal dollars that flow into the State go directly to institutions. The most significant role of the IBHE in this process is in providing matching grants where prudent opportunities exist to do so. In the past, however, IBHE did approve and endorse institutional grant applications for Federal dollars.

There are three programs that the Board of Higher Education administers that play a direct role in securing Federal dollars in this State: the Dwight D. Eisenhower Professional Development Program, the State Matching Grant Program, and the P-16 initiative. A brief description of each follows.

Dwight D. Eisenhower Professional Development Program

The Eisenhower Professional Development Program was enacted in 1994 as part of the Improving Americaís Schools Act of 1994 (P.L. 103-382) to expand professional development opportunities for science and mathematics teachers and reading programs. The Eisenhower Program has a direct relationship to reform and student achievement that is tied to challenging state content and performance standards. Of the total state allocation, the Board of Higher Education receives 16 percent, and of that allocation, 95 percent or more is distributed in the form of competitive grants to institutions of higher education and not-for-profit organizations.

The staffs of both the Board of Higher Education and the State Board of Education prepared a joint application for funds, and a total of \$14,288,199 has been received. The Illinois Board of Higher Education has received \$2,286,112 and the State Board of Education has received \$12,002,087 for professional development activities

State Matching Grant Program

A State Matching Grant Program has been established for Illinois institutions of higher education as incentives in the competition for federal research grants and contracts. Federal agencies, which provide substantial support for major research initiatives, are increasingly requiring academic institutions to provide matching funds for projects in order to demonstrate state and institutional commitment.

The appropriation for the State Matching Grant Program for fiscal year 2000 is \$10,000,000. Participation in the program is limited to Illinois public and not-for-profit degree-granting institutions. Other educational institutions, research laboratories, and private industry may also participate as partners with one or more eligible degree-granting institution. To be eligible to receive state matching funds, institutions must engage in research projects through an open and competitive process of merit review and must be committed to provide the specified matching contribution for basic or applied research activities.

P-16 Initiative

The P-16 Partnership for Educational Excellence was adopted by the Illinois Board of Higher Education, the Illinois State Board of Education, and the Illinois Community College Board in February 1999 to ensure a collaboration of efforts across the full continuum of Preschool (P) through the baccalaureate (16) and beyond. Fiscal Year 2000 appropriations provide \$725,000 to IBHE for this program. These funds were appropriated to IBHE for distribution as grants through the Higher Education Cooperation Act (HECA).

The P-16 Partnership/HECA Grant will support two types of activities: 1.) to help local partnerships that have been awarded federal funds meet the required local match, and 2.) to support new partnerships to enhance teacher preparation and professional development and/or to improve preparation of middle and high school students for careers and for college. Highest priority will be given to proposals that present partnership plans with intent to apply for support the following year from:

U.S. Department of Education Teacher Quality Enhancement grant program;

U.S. Department of Education GEAR-UP grant program; or

U.S. Department of Education Preparing Tomorrowis Teachers to Use Technology grant program.

OPPORTUNITIES and STRATEGIES

The overwhelming majority of federal assistance to higher education comes to Illinois in the form of Student Financial Aid (Pell Grants) or competitive research grants to the individual institutions. Institutions with a significant Washington D.C. presence include the University of Illinois system, the University of Chicago, Northwestern University, and the Illinois Student Assistance Commission. All have full-time federal liaisons working in Washington D.C. Illinois community colleges and regional universities have received some federal funding for worker training grants and curriculum development projects.

The Governorís Washington Office and the Board of Higher Education can collaborate on providing information to institutions of higher education in Illinois on promising new programs. The most significant returns can be gained by: 1) sustaining and improving the amount of money provided to the Pell Grant to provide financial assistance to Illinois students; and 2) sustaining and improving funding levels for the four major federal agencies providing grant funding to Illinois colleges and universities. The National Institute for Health, the National Science Foundation the Department of Energy and the Department of Education are key to increasing federal funding for Illinois.

It is also conceivable that the Board of Higher Education could also provide information to institutions of higher education on Federal funding opportunities via our web page, list-serve, etc. and can also provide technical assistance and endorsement for institutions who wish to apply for Federal support.

The Board of Higher Education played a significant role in the most recent success of the Chicago GEAR-UP alliance which received a \$31 million, five- year Federal grant. Our other activities in providing research matching grants for the National Center for Supercomputing Applications, Argonne National Laboratoryís Advanced Photon Source and the Illinois Manufacturing Centers activity with the National Institute of Science and Technology have been derived major grants that are highly beneficial to the state.

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ILLINOIS DEPARTMENT OF HUMAN RIGHTS Aid Received (FY99): \$2,025,192

OPPORTUNITIES and STRATEGIES

Current Efforts:

IDHR is currently listed with ICIC as having two separate funding projects. The first is the EEOC contract to investigate nearly 4,000 charges of employment discrimination at \$500 per case, for a total of approximately \$2 million. The second is a HUD grant in the amount of \$99,600, awarded in December, 1997 to create a statewide Fair Housing Internet Web Site linking state and local housing agencies, and including a database with information about affordable housing and housing providers (renters, builders, lenders, etc.). This project is nearly complete.

IDHR has two additional initiatives with HUD and one additional initiative with EEOC that are pending:

Housing Charge Resolution Contract

IDHR recently met with personnel from HUDís Fair Housing and Equal Opportunity (FHEO) office to explore initiating a contractual relationship with that agency. This contract would include funding for approximately 300 charge resolutions annually, at \$2,200 per case. In anticipation of this, investigator positions for a new Housing Unit have been posted. Staff attended HUD sponsored training in Kansas City during August.

Application for HUD funding under the Education and Outreach Initiative

General Component (CFDA # 14-409)óA proposal was submitted for funding of housing training and other activities in early May, 1999, for funds totaling \$285,509. The revised grant application deadline was June 30, 1999. Activities proposed under this project include:

statewide HMDA data research of lending institutions to identify lenders who may be in violation of fair housing laws;

auditing of major newspapers of 12 metropolitan areas in Illinois to identify advertisers who may be in violation of fair housing laws;

surveys of housing service providers statewide, particularly small landlords, who may lack knowledge of fair housing requirements, to determine their training needs;

development of training curriculum materials for housing service providers:

implementation of a large-scale public service campaign to educate housing service providers and indirectly educate housing service consumers;

referral to HUD for enforcement of any institutions found in violation of fair housing laws.

EEOC Mediation Contract--IDHR has started negotiations with EEOC to acquire a contract to perform mediation services for EEOC at \$800 per case.

Adjustments to Federal Grant Formulae:

While IDHR currently has a contract with EEOC to investigate employment discrimination charges, EEOC has maintained that its budget precludes additional monies being paid out of its operating funds to state and local agencies for other projects such as mediation. IDHR has been working with the International Association of Official Human Rights Agencies (IAOHRA) to encourage EEOC to adjust its funding formula to allow mediation contracts with state and local agencies. Currently, EEOC contracts for

mediation services only with private organizations, at the rate of \$800 per case. Clarifying the language in EEOCís budget would be helpful.

Again in relation to IDHRís EEOC contract, it may be helpful to consider efforts to increase the state and local portion of EEOCís budget, so that EEOC could reimburse IDHR for investigating cases at a rate more in line with actual costs.

Tracking Federal Funding Opportunities:

IDHRís Statistical Research Specialist, Dr. Yoon Lee, will continue to monitor HUD and expand his efforts to monitor other federal agencies for Notices of Funding Opportunities (NOFA). In addition, he will regularly search the Illinois Federal Clearinghouse, and other appropriate web sites for funding opportunities.

IDHR staff will contact the U.S. Department of Health and Human Services and the U.S. Department of Education, and any other appropriate federal agencies to determine whether federal money is available to fund our training initiatives in the area of employment.

In order to comply with certain grant provisions, it may be necessary to spend money from the agencyís budget to fulfill requisite in-kind contributions. Under these circumstances, it can become less than cost-effective to obtain additional federal funds if the agency is not given full spending authority for federal dollars brought into the state.

CONTACT

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ILLINOIS HISTORIC PRESERVATION AGENCY Aid Received (FY99): \$720,000

A primary strategic goal for the Illinois Historic Preservation Agency (IHPA) is to maximize federal funding. This goal is met by continuing normal activities to obtain federal funds and by implementing new initiatives where feasible.

OPPORTUNITIES and STRATEGIES

In FY99, IHPA received approximately \$720,000 in federal funds. Of this amount, \$632,000 was from the Department of Interior, National Park Service - Historic Preservation Program. The remaining \$88,000 was from the National Historical Publications and Records Commission (NHPRC), which is determined by a competitive process. The NHPRC funds were for the Lincoln Legals Project which is publishing data on Abraham Lincoln's legal career. The National Park Service funds are determined by a formula adopted by the NPS and has been in place for many years. These funds are used to support the following federal programs:

National Register of Historic Places Survey of Historic Properties Certified Local Governments Rehabilitation Tax Credit Review and Compliance Grants (No less than 10% of total funds must be subgranted to certified local governments)

Other miscellaneous funds we have been awarded are from the following sources:

National Park Service, American Battlefield Protection Program Illinois-Kentucky Ohio River Civil War Trail Project, \$40,000 Competitive Grant

National Park Service, National Center for Preservation Training and Technology

Lead Paint Training Initiative, \$40,000 Competitive Grant

National Endowment for the Humanities

Lincoln Legal Papers, \$0 in FY99; however, we have received funding at various times over the past several years and will seek funds in the future.

Competitive Grant

The IHPA will continue to monitor opportunities for federal funding and apply for projects that will benefit Illinois. Efforts to increase the level of funding for all states will be supported in coordination with the Governor's Washington Office.

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ILLINOIS DEPARTMENT OF INSURANCE Aid Received (FY99): \$451,000

OPPORTUNITIES and STRATEGIES

The Departmentis Senior Health Insurance Program has been substantially funded for the past several years by a grant from the Federal Health Care Financing Research, Demonstrations and Evaluations Program. Our program aids senior citizens with Medicare, health information, and counseling regarding long-term care insurance, comparison of Medicare supplemental policies, and assistance in obtaining benefits and filing claims under Medicare. We anticipate our fiscal year 2000 grant will be approximately \$460,000.

Although there is no specific federal statutory formula for determining grant amounts, the staff of the Health Care Financing have established formulas which distribute the funds among the states. We anticipate that, with recent changes in Medicare supplement requirements and the desire to have more seniors in Medicare HMOs, the grant monies available going forward will increase. We intend to actively seek a greater share of increased funding if it becomes available.

Periodically, federal agencies such as Health and Human Services, Treasury, FBI, and federal regulatory agencies sponsor training programs. The Department is invited by these agencies to participate in these training seminars with registration fees being waived and federal scholarships paying the cost of lodging and transportation. We are specifically contacted to participate, and we are not aware of any centralized way of monitoring the availability of these federally sponsored training opportunities.

Other than the above, the Department has not been aware of other grant opportunities available to fund programs related to our role as insurance regulator. We will actively begin looking for grants related to our mission. Grants which would allow us to do market research (i.e., cost and availability of health insurance) or establish additional informational and outreach programs (such as the senior program) we believe would be most beneficial to the citizens of Illinois.

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ILLINOIS COMMERCE COMMISSION Aid Received (FY99): \$249,000

OPPORTUNITIES and STRATEGIES

Pipeline Safety Program:

Currently, the Illinois Commerce Commission receives one Federal grant annually. This grant is received from the U.S. Department of Transportation for the Agencyís Pipeline Safety Program within the Financial Analysis Division. We anticipate receiving approximately 42% federal funding in FY00, with the total cost of the program being approximately \$558,900. Last year, we received \$249,000 for this grant. Throughout the year, there are a number of Federal documents which must be submitted to obtain this grant.

- * Grant Application Package (September October) This package contains the agreement to participate in the pipeline safety program during the next calendar year, a brief description of our safety program, estimated program cost, standard assurances that the Commission will meet all Federal Civil Rights and Nondiscrimination Laws.
- * Payment Agreement (July August) The U.S. Department of Transportation agrees to reimburse the State for the sum outlined in the document and the Commission agrees to carry out the pipeline safety program in accordance with the grant application and give permission for DOT to review our records pertaining to the spending of the grant money.
- * Certification Regarding Lobbying (July August) Assurances that pipeline safety grant money was not and will not be used to lobby for more federal funds.
- * Mid-Year Request for Reimbursement (September October) Request for advance reimbursement based on mid-year program cost.
- * Certification Package for Calendar Year (February March) Summary of pipeline safety activities for the past year, inspection man-days, jurisdictional operators, inspections performed, accidents investigated, personnel qualifications, violations found and corrected, and rules and regulations adopted. This is our iannual reportî on pipeline safety activities.
- * Year-End Request for Reimbursement (March) Request for reimbursement of second half of program cost, a year-end performance report, summary of program cost for previous year compared to estimated cost, and a list of pipeline safety equipment owned by the State.

Plans to attempt to obtain additional federal funding include contacting the grants contact person for the U.S. Department of Transportation seeking advice on opportunities for additional funding. Illinoisí pipeline safety program has been consistently ranked among the top state programs, we will emphasize the quality of the program in appealing for additional funding.

Railroad Safety Program:

One of the areas which we would like to explore additional funding is in the Commissionís Railroad Safety Program. Contact will be made with the grant coordinator for the U.S. Department of Transportation to seek guidance with regard to funding opportunities to augment the Commissionís existing Railroad Safety Program.

Truck Safety Program:

An additional area which might warrant federal funding would be the Commissionís efforts to ensure proper insurance coverage and safety fitness for motor carriers operating within or throughout Illinois. Once again, information will be sought from the grant coordinator for the U.S. Department of Transportation as to funding availability.

Electricity Restructuring:

If Congress enacts a federal electricity restructuring law, U.S. Department of Energy might have some grant money available for consumer education, etc. If that were the case, we would aggressively pursue that as well.

CONTACT

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ILLINOIS DEPARTMENT OF NUCLEAR SAFETY Aid Received (FY99): \$223,000

OPPORTUNITIES and STRATEGIES

In the past the Department has pursued federal grants to support our programmatic objectives. However, in the nuclear safety field, there are limited federal monies that are tailored specifically for these purposes.

Currently, the Department receives only one federal grant from the United States Environmental Protection Agency in the amount of \$223,000 (FY99). This money supports the State Indoor Radon Grant Program. The Department will receive \$251,000 in FY00 for this program.

The coming fiscal year will see the Department receive a new grant from the United State Department of Energy to manage the Low-Level Radioactive Waste Forum. The FY00 grant will provide the Department with \$41,026 to cover the costs of managing the Forum.

CONTACT

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ILLINOIS STATE FIRE MARSHAL Aid Received (FY99): \$186,000

OPPORTUNITIES and STRATEGIES

The Office of the Illinois State Fire Marshal operates five main programs:
These programs are housed in the following divisions: Personnel and Educational Standards, Fire
Prevention, Petroleum and Chemical Safety, Boilers and Pressure Vessels, and Arson Investigation. With
the exception of Petroleum and Chemical Safety there are currently no federal grant programs which apply

to divisions in the Office of the State Fire Marshal. The Federal Emergency Management Agency (FEMA) and other Federal Agencies have consistently treated the fire service as an issue best handled at the local and state level.

With regards to the Division of Petroleum and Chemical Safety (DPCS) this division of OSFM has consistently pursued USEPA funding for portions of it's activities. At the present time DPCS is funded at the rate of \$186,000 annually. These funds come from USEPA through the Region V office. The DPCS will continue to explore additional grants opportunities with USEPA. At the present time the largest portion of Illinois monies from USEPA go to Illinois EPA.

The OSFM will continue to explore opportunities for securing federal funding consistent with our ability to effectively and efficiently meet the OSFM mission and federal guidelines.

CONTACT

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ILLINOIS DEPARTMENT OF FINANCIAL INSTITUTIONS Aid Received (FY99): None

The mission of the Illinois Department of Financial Institutions is to administer and enforce the laws and regulations pertaining to those financial institutions under its jurisdiction and to protect the interests of the people of this State in their dealings with those industries regulated by this agency.

The Department was created in 1957 as a regulatory agency of the State. Its enabling legislation, the Financial Institutions Code, provides the statutory authority to regulate, license, examine and investigate: currency exchanges, credit unions, consumer finance and title insurance companies and money transmitters. The Department also administers the Transmitters of Money Act, Safe Deposit Box Act, Consumer Installment Loan Act, Development Credit Corporation Act, Currency Exchange Act, Credit Union Act, Title Insurance Act, Financial Planning and Management Services Act and the Consumer Credit Counseling Corporation Act.

The laws for which the Department has responsibilities govern a variety of diverse industries in Illinois. The activities undertaken by the Department directly affect the individuals and businesses that the Department licenses and indirectly affect every citizen who utilizes its services.

Management and control of the Department are vested in the Director who is appointed by the Governor and confirmed by the Illinois Senate. The Department has three divisions: Consumer Credit, Credit Union, Currency Exchange and one managerial division, Administration.

OPPORTUNITIES and STRATEGIES

The key contact/coordinator will conduct research via the Illinois Federal Clearinghouse website, and other resources, to identify possible opportunities. Special attention will also be given to working with key contacts from other agencies that may have more experience with identifying or receiving federal funding.

CONTACT

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CENTRAL MANAGEMENT SERVICES Aid Received (FY99): None

OPPORTUNITIES and STRATEGIES

Locate Grants or Funding: CMS currently receives no direct federal funding. However, CMS does receive millions of dollars indirectly from fees to agencies for CMS services provided. As a result, the federal Department of Health and Human Services annually reviews CMS rates to ensure the rate setting methodology is in compliance with federal cost accounting rules. CMS will take the following actions in FY2000:

- 1. Attempt to identify CMS programs or parts of programs for which federal funding may be available;
- 2. Conduct a search of potential federal funding sources for the Workersí Compensations Program, Auto Liability Program, Business Enterprise Program, Video Services Program, and Internal Security & Investigations Program;
- 3. Assist other agencies in receiving federal funding through
- A. Coordination of state Y2K expenditure claims,
- B. Expeditiously securing office space for federally funded agency programs,
- C. Agreements with agencies to allow them to submit claims for federal reimbursement of data processing and telecommunication services, and
- D. Identifying radio or video services paid for by federal funds so that other agencies may investigate those sources.
- 4. Attempt to determine whose primary insurance coverage should be Medicare in order to save state funding for the Group Insurance Program.

Grant Writing Assistance:

CMS is available to assist agencies with grant writing upon request.

The Business Enterprise Program will contact the Small Business Administration and the United States Department of Commerce to explore the possibility of obtaining federal funding for certified vendors.

Federal Census:

CMS will likely be involved with providing some support services and marketing resources to other agencies related to the federal census. For example, other agencies will likely use computer and telecommunications services provided by the Bureau of Communication and Computer Services and public information distribution services provided by the Bureau of Information Services via Illinois Information Services (IIS) NewsFax, radio newsfeeds, and video newsfeeds.

Marketing Resources:

Web Site: The Office of Public Affairsí Web Unit will continue to support and maintain the Federal Clearinghouse homepage by adding new elements and updating existing content. The Clearinghouse was established by the Governor's Office and is under the oversight of the Washington D.C. Office, which is also working with the Department of Commerce and Community Affairs (DCCA) to create a tracking and reporting mechanism to publish the State's efforts in obtaining federal funds. That portion of the site will be added when complete, as will additional links and any further information received. The Bureau of Communication and Computer Services will continue providing staff and technical support to this effort.

DCCA Procurement Assistance Centers: CMS will use the Centersí resources and market them. The Bureau of Benefits will assist in the solicitation of insurance brokers through the centers. The Business Enterprise Program (BEP) will include marketing information in mailings and within the CMS website.

BEP will also include DCCA representatives at BEP events. The Bureau of Information Services will assist DCCA in disseminating information to the news media via IIS NewsFax, radio newsfeeds, and video newsfeeds.

ASSISTANCE NEEDED TO IMPLEMENT FY2000 PLAN

The Bureau of Benefits could use assistance in securing Medicare eligibility information from the Health Care Financing Authority (HCFA). CMSí various Programs could use assistance from other State agencies to serve as liaisons with the federal government and to identify federal grants and programs for which we and they may be eligible.

CONTACT

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CAPITAL DEVELOPMENT BOARD Aid Received (FY99): None

Funding for the Capital Development Board falls into two major categories, funds for the administration of the agency called operating funds and funds for constructing or rehabilitating state facilities called capital funds. The use of federal funds is quite different for the two categories.

The Board receives no federal funds for operational purposes. The funds received for any capital projects do not allow for any indirect cost reimbursements to the agency which could be used for operational purposes. The only time federal funds were available for operational purposes was for three years in the early 1980's. Those grants were for staff to administer an energy conservation program and have not been available since that time.

OPPORTUNITIES and STRATEGIES

Capital Funds

The funds received by the Board for capital projects are the result of grants to specific state agencies for specific projects and purposes. A recent review by the major federal granting agencies shows the Board to be a vendor who receives funds from the state agencies for whom the projects are being constructed. The federal funds deposited with the Board are primarily from four major state programs.

Three of the programs deposit funds with the Board via the Boardís Contributory Trust Fund (Fund number 617). The Board processes vouchers through the Office of the Comptroller to make payments to the contractors and engineers working on the specific projects. The deposits are in the forms of wire transfers to the State Treasurer or through checks received by the Board. The fourth is a program through the Illinois Department of Transportation and is discussed below.

The first program is through the Department of Corrections. The federal Department of Justice made funds available for specific types of correctional facility construction. Illinois was fortunate to receive several of these grants. The grants apply to specific buildings at correctional facilities, usually bed space. The federal grant funds are added to state appropriations for other building space thus providing a

complete budget for the project. Contracts are obligated to show the splits of federal and state funding and payments are processed to assure that the required splits remain intact.

The second program is through the Department of Military Affairs. The federal Department of the Army provides construction funds for new armories or new buildings at existing armories. Budgets and contract obligations follow the same procedure as that for the Department of Corrections.

The third program is for energy conservation. The federal Department of Energy has made grants available to the state through the former Department of Energy and Natural Resources for state agencies and higher education. Budgets and contract obligations follow the same procedure as that for the Department of Corrections.

The fourth major program is for certain types of historical restoration through IDOT and is called the Illinois Transportation Enhancement Program. Most of the projects are associated with existing trails, canals and hotels located on historic routes of transportation. The federal funds remain with IDOT. CDB manages the projects and provides contract and payment documents to IDOT for processing.

The Board occasionally receives grants from the federal Department of Veteransí Affairs for reimbursement for new home construction or shared funding of cemetery road repairs. These are rare and follow the same procedures described for the Department of Corrections.

Opportunities for Consideration

CDB could provide links to the federal government construction projects. This might entail web links to federal bulletins, etc.

CDB could look for ways to contact academia which researches design/construction methods. These could result in training and professional growth for both CDB staff and construction organizations. CDB could seek assistance from foundations who specialize in construction methods.

CDB could partner with industry groups to pursue internship opportunities, grants for utilizing non-traditional construction methods, project funding, etc.

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Unfortunately, additional federal funding captured by community-based providers as a result of these kinds of initiatives are not reflected in the reports of Illinois Commission on Intergovernmental Cooperation (ICIC). Such initiatives are common among DHSí Offices and Divisions. 1The Hazard Analysis/Critical Control Point, or HACCP, system is a new, federally- mandated system of ensuring meat and poultry wholesomeness during slaughter and processing.

2Very small plants are defined under HACCP as those employing fewer than 10 people or having annual sales less than \$2.5 million. Small plants are those employing more than 10 but fewer than 500 people and more than \$2.5 million in annual sales.